

### CITY OF WHITE SALMON

# City Council Regular Meeting – Wednesday, December 1, 2021 Via Zoom Teleconference

#### **Council and Administrative Personnel Present**

#### **Council Members:**

Jason Hartmann David Lindley Ashley Post Jim Ransier

#### Staff Present:

Marla Keethler, Mayor
Jan Brending, Clerk Treasurer
Russ Avery, Public Works Operations Mgr.
Brendan Conboy, Land Use Planner
Bill Hunsaker, Fire Chief/Building Official
Ken Woodrich, City Attorney

# I. Call to Order, Land Recognition, Presentation of the Flag and Roll Call

Marla Keethler, Mayor called the meeting to order at 6:00 p.m. She noted that the meeting was originally going to start with land recognition but that will be brought forward as a resolution at the next council meeting.

There were approximately 35 members of the public in attendance via teleconference.

### II. Changes to the Agenda

There were no changes to the agenda.

#### III. Consent Agenda

- A. Resolution 2021-12-590, Declaring Surplus Property and Providing for Transfer of Ownership (2013 Ford Explorer to Klickitat County EMS District #1)
- B. City Attorney Agreement
- C. 2022 WAGAP Youth Center Agreement
- D. 2022 Interlocal Agreement with City of Bingen, Treatment Plant Funding (\$15.25 per ERU)
- E. Personal Services Contract Amendment, Anderson Perry 14-Inch Main Line Design, Amendment No. 1 (from \$750,000 to \$770,859)
- F. Approval of Vouchers

Vouchers audited and certified as required by RCW 42.24.080 and expense reimbursement claims as required by RCW 42.24.090 as of this 1<sup>st</sup> day of December, 2021.

Туре	Date	From	То	Amount
Claims	12/1/2021	EFT	EFT	3,192.00
	12/1/2021	37593	37618	60,591.01
	70 - 0		Claims Total	63,783.01
			1, 119	
Payroll				
		h l	Payroll Total	0.00
Manual Claims	11/23/2021	37590	37592	3,631.73
			. 12	1
16		A.	Manual Total	3,631.73
			Total All Vouchers	67,414.74

Moved by Jim Ransier. Seconded by Jason Hartmann. Motion to approve Consent Agenda as presented. CARRIED 4-0.

#### IV. Public Comment

There was no general public comment.

#### V. Business Items

### A. Ordinance 2021-12-1088 Amending WSMC 13.16.025 Monthly Water Fees

Jan Brending, Clerk Treasurer presented information on the proposed water fee increase of 5% over the 2022 rate provided in the city's current WSMC 13.15.025. She noted the 5% increase is only for the water base fee. Brending the base rates and usage rates fund operation and maintenance, debt service requirements and capital improvements. She said staff and the Personnel and Finance Committee are recommending adoption of the ordinance.

Marla Keethler, Mayor opened the public hearing for Ordinance 2021-12-1088 Amending WSMC 13.16.025 Monthly Water Fees. There was no public comment. Keethler closed the public hearing.

Moved by Ashley Post. Seconded by Jason Hartmann.

Motion to adopt Ordinance 2021-12-1088, Amending WSMC 13.15.025 Monthly Water
Fees upon the second reading. CARRIED 4-0.

B. Proposed 2022 Budget, Ordinance 2021-12-1089 Adopting the 2022 Budget

Marla Keethler, Mayor said that much of the material in the packet is a review of what has been previously presented. She provided an overview of the 2022 Council Priorities chart included in the budget proposal.

Jason Hartmann, Council Member thanked everyone for the hard work involved int eh budget.

Marla Keethler, Mayor opened the public hearing on the 2022 budget. There was no public comment. Keethler closed the public hearing.

Moved by Jim Ransier. Seconded David Lindley.

Motion to adopt Ordinance 2021-12-1089 Adopting the 2022 Budget. CARRIED 4-0.

## C. Proposed Amendments to WSMC 5.02 Short-term Rentals

Brendan Conboy, Land Use Planner made a presentation regarding the proposed amendments to WSMC 5.02 Short-term Rentals including presenting statistic data and Planning Commission recommendations.

Ashley Post, Council Member asked if there is current data on the ratio between what is defined as hosted homeshares and vacation rentals and is there any data on how many currently permitted short-term rentals are not owner occupied.

Brendan Conboy, Land Use Planner said he does not have specific data at this time.

Ashley Post, Council Member asked if the current permitting process indicates whether they are owner occupied.

City staff said no.

Jason Hartmann, Council Member asked if both the hosted homeshare and vacation rental homes in residential districts require owner occupancy.

Brendan Conboy, Land Use Planner said yes.

Marla Keethler, Mayor opened the public hearing regarding proposed amendments to WSMC 5.02 Short-term Rentals.

Jan Brending read written comment from the following individuals:

Josh Coombs said he believes the focus on the changes to the short-term rentals has changed from disrupt to the community and a registration process to primarily focus on artificial control of housing prices. He said there is zero evidence that regulation of short-term rentals will impact home prices and that artificially controlling the housing market is a long-term recipe for disaster. Coombs encourage the city reconsider the proposed changes.

**Jacob Fishman** said he supports only allowing short-term rentals in owner occupied primary residences which would eliminate the greatest threat to the community — that of second homes subsidized by short-term rentals that will overwhelm the neighborhoods. Fishman said he supports the proposed document as stated.

**Virginia Hartnett** said she feels the proposal does a good job of keeping short-term rentals that are really businesses in the business district which is appropriate. She suggested that for short-term rentals within residential areas that a 90-day rental limit should be imposed versus 150-day limit because five months does not seem like someone is living in the home as a residence and it is more of a vacation/second home. Hartnett said she does not believe the proposed regulations do enough to reach the goals stated by the Commission.

**Dan Baier** said he believes short-term rentals are part of the overall housing and economic picture need for White Salmon to be a vibrant community. He said he strongly believes the research and evidence accumulated provides solid reasons for supporting the proposed changes to WSMC 5.02 Short-term Rentals. Baier said he strongly supports language that creates target percentages for limits in the RL, R1, R2, and R3 zones. He suggested that the exemption clause related to existing permitted short-term rentals be changed from a maximum of 10 years to a maximum of 7 years. Baier said he supports providing White Salmon with a balanced approach to housing and the economy by approved the proposed changes.

*Mark Sanborn* said he feels that the recommendation of 10% of residential houses being made available for short-term rentals is too high and it should be 5-6% to help the goal of affordability for housing. He said he feels the 10-year period for previously permitted short-term rentals is too long and that they should have to come into compliance within 5 years. Sanborn said the 2% lodging tax the city imposes is too low. He suggested something like Hood River's tax of 8%. Sanborn said providing a listing of short-term rentals to cleaning businesses would help keep those businesses moving forward.

Lisa Cicala said she is an owner of a short-term rental in White Salon and agrees with instituting sensible regulations for short-term rentals. She asked the City Council to adopt the Planning Commission's recommendations to grandfather existing permitted short-term rentals without adding additional restrictions – acknowledging those who have followed the existing rules; invested their blood, sweat and tears; who have demonstrated that they are good neighbors; and who have successfully supported local businesses and drive tourism to the area.

**Shelly Baxter** said she is happy with the compromise the Planning Commission has come up with in respect to short-term rental permitting in the city. She said she is pleased with restricting the conversion of homes to vacation rentals in both location and overall numbers. Baxter said she is also happy to see the effort to reduce on-street parking problem that has been growing in recent years by requiring units to provide off-street parking for vacation rentals.

**Doug Ellenberger** said he generally agrees with the proposed amendments and feels it is a well-thought-out plan.

Kevin Driscoll said he is one of the short-term rentals that were permitted under Ordinance 20219-09-1052 before the moratorium. He encouraged the city council to adopt the recommendation that existing permitted short-term rentals be grandfathered in for a period of ten years under the existing conditions without additional restrictions. Driscoll said they have never had a noise, parking or nuisance compliant against their property or guests. He said he supports limiting the overall number of short-term rentals within the city but want to see the proposed permitting conditions simplified.

Bengt Coffin said that he owns a home in the R-2 zone with a garage in the backyard with a small space upstairs that probably meets the definition of an ADU which they rent out on AirBnB. He said the proposed changes to the existing rules related to short-term rentals would negatively affect their ability to continue to rent out their unit and they would be financially harmed. Coffin said he is concerned about the annual permit renewal permit limitations and the limitation on the number of nights they would be able to rent. He said that ADUS provide flexible space to a property owner and are ideal for short-term rental and that they do not cause or contribute to the increasing cost of housing in White Salmon. Coffin said ADUs are the most appropriate way to provide short-term rentals. He said restricting short-term rentals will drive visitors across the river for lodging.

**Dan Cox** said he supports regulation of short-term rentals that are not the owner's primary residence but does not support regulation of short-term rentals on properties that are the primary residence of the owner. He said that removing the ability to short-term rental part of a primary residence will remove a much-needed lifeline for local, middle-class individuals and families to comfortably afford living in White Salmon. Cox suggested that the city considers what constitutes a primary residence. He said a fire fighter could be gone 7 months of the year for work but still call White Salmon home.

Joanna Kaiserman said she lives in White Salmon and is a owner and operator of a registered short-term rental. She asked the city council to consider the negative local impact that strict restrictions on short-term rentals could have on residents in White Salmon. Kaiserman encourage the city council to approve requiring proof of residency to operate a short-term rental in residential zones. She suggested that anyone who purchased property in White Salmon prior to the moratorium should be allowed to operate under the rules that were in place at the time of purchase or for at least a period of five years.

### **Public comment via Zoom Teleconference:**

Amy Sousa said she is pleased with the revisions that have been presented regarding short-term rentals. She said using an ADU for short-term rental can help compensate the mortgage costs of active community members. Sousa noted she has a current short-term rental permit. She said she would like to see data on the impact of Hood River's regulations on housing affordability. Sousa said she feels that people do not want to stay in hotels and that preventing short-term rentals and allowing hotels is short-sighted.

**Trevor McDiarmid** said he lives outside of the city limits. He said he is opposed to the proposal as it feels rushed and that the city's land use planner has "anchored" the data. McDiarmid asked what have been the impacts of Hood River's regulations. He said the city should slow down and enforce its current regulations. McDiarmid said he feels are conflicts of interest when a commissioner is building a hotel downtown. He said less regulations are needed not more.

Marla Keethler, Mayor noted that no Planning Commissioner is actively building a hotel in downtown White Salmon.

**Adrianne Grimm** said grandfathered short-term rentals should not sunset. She said the rules should not be the same in all of the zones and the proposed rules will damage tourism.

Sam Grimm said he agrees with Adrianne Grimm. He said they purchased their property because of the ability to short-term rental a portion of it. Grimm said there should be no restrictions for grandfathered permits and that a 10-year permit period is not reasonable. He said there has been no economic analysis of short-term rentals and that there are numerous articles that can dispute the facts presented in the presentation. Grimm said he does not believe there is any data that shows short-term rentals have an impact on housing affordability.

**Susan Elliott** said she is pleased with the proposed changes but there is still room for improvement. She said that renting out her home on a short-term basis while she is traveling helps with the mortgage. Elliott said there should be no limitation on the number of days. She said property owners should be able to rely on the assumptions made when they purchased their property. Elliott said she agrees there has not been a lot of analysis that shows the benefits of short-term rentals and feels that short-term rentals can build a community.

**David Dierck** said he is a resident of White Salmon and eels that city staff and the Planning Commission have demonstrated a high level of professionalism. He said he views short-term rentals as a business and should be permitted through the conditional use permit process.

**Dennice Dierck** said she resides in White Salmon and is a White Salmon business owner. She said the city needs to protect and support the businesses along Jewett and ensure that retail shops at street level are required with residences or short-term rentals allowed only on the 2<sup>nd</sup> or 3<sup>rd</sup> levels of a building.

**Lisa Evans** said she is part of the lodging tax advisory committee for Klickitat County. She said that she is very involved with short-term rentals. Evans said the city should enforce the current ordinance and not punish those who are following the rules. She said she did an extensive public records request and that there was only one complaint filed and is not sure it is really associated with short-term rentals. Evans said the public

needs to be educated on how to file complaints regarding short-term rentals. She also asked the council to reconsider purchasing tracking software as she feels it will provide inaccurate information.

Jason Askins said he agrees with the comments that have been made about not having a sunset for pre-existing short-term rentals. He said long-term rentals are not the best for some property owners. Askins said he feels that the city has been rushed in developing the changes in an arbitrary 6-month timeline. He said the city needs to take in more facts and get it right the first time.

**Mike Tinervia** said a lot of what he wanted to say has been said. He said he bought property on Estates with the idea that it could be rented out on a short-term basis to supplement the mortgage. He said the time limitations do not work for him. Tinervia said the council should keep in mind that those who have purchased homes have made an investment in the community.

**David Sliwa** said he is happy with the amount of work that has been done although he feels that the city is trying to solve a problem that "might" exist and not one that actually exists. Sliwa said his guests are involved in the tourism industry and become repeat customs to White Salmon. He said as a retiree the income from a short-term rental is critical. Sliwa said he does not feel using a lottery is a good way to go.

Marla Keethler, Mayor thanked everyone for making comments and attending the meeting. She said she is encouraged by the involvement. Keethler said the city council will not take action on the proposed changes at tonight's meeting.

At 8:25 p.m. the city council took a 5-minute break. The city council resumed its meeting at 8:30 p.m.

Marla Keethler, Mayor said there has been no clear intent of presenting only one side of the information.

Jason Hartmann, Council Member said lots of information has been provided and he appreciates the work that has been done. He said no one is requiring a property owner to sell their house. Hartmann said he does agree the city should be enforcing the rules that are in place right now and wish it had been done during the moratorium specifically related to penalties. He said that he views short-term rentals as a commercial use and feels that the 10-year allowance for existing short-term rentals is too long and that it should be 5 years. Hartmann said he also feels that 10% of the housing stock seems too high for the number of allowed short-term rentals. He said he does support having commercial use on the first floor in the commercial zone with short-term rentals on the 2<sup>nd</sup> floor. Hartmann said he feels that a lot of good work has been done.

Ashley Post, Council Member said she agrees with Jason Hartmann. She said the report and the proposed changes reflect an incredible amount of work from staff and the Planning Commission. Post said she feels that a lot of the concerns have been

addressed. She said she does not support a lottery system. She said she does not support the idea of sunsetting the permits that were pre-existing before the moratorium. Post said the city council should think about the investments property owners have made.

Jim Ransier, Council Member said that he feels the comments he has heard suggests that the city council is opposed to short-term rentals. He said he feels that is not the case. Ransier said short-term rentals can be a component of the community but he does not want them to get out of hand. He said he feels very differently about owner-occupied short-term rentals versus non-owner occupied. Ransier said that for non-owner-occupied short-term rentals there should be limits. He said that he feels the proposal is more generous for short-term rentals that the Hood River ordinance.

The council and staff discussed how to document owner-occupied versus non-owner occupied.

David Lindley, Council Member thanked staff and the Planning Commission for the work that has been done. He said he believes the proposed changes have evolved based on public input. Lindley said he does not believe there has been any bias on anyone or any development. He said that individual comments for the most part have been supportive. Lindley said could be some tweaks to the wording and process. He said that clarity is needed as to whether the conditional use process will be administrative or run through the Planning Commission. Lindley said the length for renewals for new permits and those that are grandfathered should be the same.

Marla Keethler, Mayor noted that the city will be discontinuing the use the word "grandfathering or grandfathered" and using something like "legacy".

David Lindley, Council Member also noted that the city's proposed codes do not affect property owners that live outside the city limits.

Marla Keethler, Council Member said that she feels there could be some cause and effect outside of the city limits in the urban exempt area.

Jan Brending, Clerk Treasurer said it might be helpful to have some language about short-term rentals that exist in an area that is to be annexed would be handled when the property comes into the city limits.

Marla Keethler, Mayor said that the idea of accessory dwelling units was originally identified as an affordable option for housing.

Jason Hartmann, Council Member noted that Hood River does not allow accessory dwelling units to be used for short-term rentals. He said, however, that the city council has heard from the community that they want to use ADUs for short-term rentals and that under the proposed codes they could be considered a hosted homeshare.

Hartmann said it is important that the city takes the appropriate amount of time to make sure the ordinance is the best the council can make it.

Ashley Post, Council Member said she likes the idea of incentivizing the use of accessory dwelling units for long-term rentals but she does not like telling property owners how they can use their accessory dwelling units.

David Lindley, Council Member said that his thoughts on ADUs have evolved and that he also likes the idea of incentivizing ADUs for long-term rentals.

Jim Ransier, Council Member said his thoughts on ADUs have also evolved. He asked how could the city incentivize ADUS for long-term rentals. He suggested that the fees for short-term rental permits need to cover the costs of enforcing the city's codes.

Brendan Conboy, Land Use Planner said that a permit fee of \$250 with 36 permits would cover the cost of the software. He said the current fee of \$75 is too low. Conboy said that a common way to price the permit is the price of a two nights rental which is approximately \$350.

Ashley Post, Council Member said it might be good to get input on any proposed changes in the fees. She said that raising the fee might pay for some of the enforcement costs but she does not want to put a burden on property owners.

Jan Brending, Clerk Treasurer noted that along with the short-term rental permit fee, a property owner has to get a business license which is \$75 and if the proposed changes go through would need to obtain a conditional use permit which currently costs \$1,100.

Jason Hartmann, Council Member said that enforcement and penalizing illegal short-term rentals will provide revenue to cover enforcement.

Marla Keethler, Mayor asked if the council has any comments regarding how to handle legacy short-term rentals.

Jim Ransier, Council Member said he want to make sure that existing permit holders are awarded.

Marla Keethler, Mayor asked if there are additional codes that need to be revised.

Brendan Conboy, Land Use Planner said yes that there are some zoning codes that need to be amended. He said he will be bringing those codes the Planning Commission and then to the city council.

The city council and city attorney discussed the need for an extension of the moratorium on short-term rentals.

Ken Woodrich, City Attorney said there should not be a gap between the moratorium expiring and the adoption of the proposed changes. He said the city council can look for a reasonable period for the extension and it could be less than 6 months.

Jason Hartmann, Council Member said he hopes that the proposed changes can be adopted prior to January 22, 2022 and that the moratorium should not expire without the new codes in place.

Ashley Post, Council Member said that she is not comfortable with things going back to the Planning Commission until the city council has gone through the code. She said a one-month extension of the moratorium might be necessary so that adoption of the proposed code changes is not rushed.

The council discussed the possibility of holding a public hearing for adopting the proposed changes at that January 5 meeting or if necessary extending the moratorium.

The city council discussed holding a special meeting to complete the discussion of the proposed changes and give feedback to the Land Use Planner and the Planning Commission. There was a consensus of the City Council to hold a special meeting on December 8, 2021 to complete the discussion and review of the proposed code changes. It was noted that there will be no public comment on short-term rentals at the December 8 special meeting. Council members were directed to send input to Jan Brending, Clerk Treasurer who will forward it to Brendan Conboy, Land Use Planner.

### D. 2022 Lodging Tax Grant Program Award

Jan Brending, Clerk Treasurer said the city received one application for the 2022 Lodging Tax Grant Program – Mt. Adam's Chamber of Commerce. She said the Chamber made a presentation to the Lodging Tax Advisory Committee who unanimously voted to recommendation to the city council awarding a \$40,000 2022 Lodging Tax Grant.

Moved by Jason Hartmann. Seconded by Jim Ransier. Motion to award a \$40,000 2022 Lodging Tax Grant to Mt. Adams Chamber of Commerce. CARRIED 4-0.

### VI. Reports and Communications

#### A. Department Heads

**Bill Hunsaker, Fire Chief/Building Official** said he has been working on code enforcement and addressing line of site issues with shrubs and trees that are overhanging sidewalks and roads.

**Russ Avery, Public Works Operations Manager** said all of the Christmas decorations have been installed. He said the crew is working on reading vehicles for snow.

**Jan Brending, Clerk Treasurer** said a final budget amendment will be presented at the 2<sup>nd</sup> regular council meeting. She noted she is working with council members to determine what committees will meet in December.

**Brendan Conboy, Land Use Planner** said he is working the tree ordinance, grants and potential affordable housing projects. He said Jeff Speck will be in White Salmon on January 19 and 20 to talk about the benefits of walkability. Conboy said that anyone who has concerns about how handles his job should feel free to contact him. He said he considers White Salmon his home.

# **B.** City Council Members

There were no updates from council members.

### C. Mayor

Marla Keethler, Mayor said a structural engineering report is being developed for the Walker House and that a business plan is also being created. She said the speed radar sign located on Lincoln Street will be moved to Estes. Keethler said the city has a Request for Proposals out for the community center feasibility study which may include a possible affordable housing component. She said meetings with legislators regarding the bridge have wrapped up. Keethler noted that funding ideas for the use of the ARPA COVID-19 funds will be brought to the Personnel and Finance Committee early in 2022. She said the city will be going live with the Voyent Alert application in the near future. Keethler said she is very excited about the application and the ability to increase the city's engagement with the community.

### VII. Executive Session (if needed)

There was no Executive Session held.

#### VIII. Adjournment

The meeting adjourned at 10:02 p.m.

Marla Keethler, Mayor

Jan Brending, Clerk Treasurer