

## Jan Brending

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**From:** Seth Gilchrist <sethg@ci.white-salmon.wa.us> on behalf of Seth Gilchrist  
**Sent:** Friday, November 5, 2021 9:24 PM  
**To:** Brandon Hardisty; Jan Brending; Erika Castro-Guzman  
**Subject:** Thoughts on Short Term Rentals

Good evening Brandon, Jan, and Erika,  
Unfortunately I will be unable to attend the Wednesday planning commission meeting as I'm having a minor surgery. In lieu of being there in person, I'd like to submit the following written comments into the record. Please distribute them to the other commissioners and include them in the packet if possible.

I have given the problem at hand a lot of consideration and hope that my reasoning is clear.

Regards,  
Seth Gilchrist

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Good evening commissioners,  
First of all, a statement on conflicts of interest. I have no conflicts of interest regarding short term rentals (STRs). My wife and I own two properties in White Salmon: our primary residence and a townhouse in Wyers End. We purchased the townhouse in 2016 and have always rented it long-term. We plan on continuing to rent it long-term regardless of the city's policy on short term rentals.

Housing in White Salmon is experiencing a meteoric rise in value. The risks of this rise are manyfold, including loss of housing for locally employed workers and loss of community. STRs are only part of the housing price equation, but they are one that the city has direct control of. For this reason, we must explore regulation of STRs.

Loss of housing opportunities impacts a number of aspects of White Salmon's future, including the ability for businesses to thrive and grow as we struggle to attract workers to a community where costs are so out of balance with incomes. Attracting people to work in our businesses is an immediate and urgent need and threatens the livelihoods of both the business owners and their current employees. We must do everything we can to make White Salmon an attractive place to live, as well as an affordable one.

Beyond housing, there is a significant risk to the character of our town. Each house that is not occupied by a local resident represents a loss of a neighbor. Our neighbors are the fabric of our community. They are our school boards, city counselors, grocery clerks, dentists, mechanics, builders, lawyers, and teachers. When a residential house is removed from residential occupation and replaced with a business investment for individual benefit, we are trading our community's stability and character for individual profit. The ultimate end of this progression is a transient or part time community composed of voters that have no impetus to make investments in the community except for those that increase their own profits. This brings with it a large risk for those of us who are making our lives and raising families here. For this reason, I believe that we should regulate STRs to constrain their adverse impact and keep White Salmon a community built around its residents.

That said, STRs provide a tangible (and indeed vital) source of income to members of our community who reside here. Hosting companies like AirBnB, VRBO, and others are a great equalizer, allowing residents to benefit from our most enduring local resource - tourism - without needing large amounts of capital for commercial real estate development. There are also companies built around the current STR inventory, providing cleaning, caretaking, and

management functions. The city has allowed STRs to proliferate over the last 5 years and, like it or not, a number of our neighbors are now dependent on them for their livelihoods, as both owners and employees. These people should not be punished for starting businesses that were tacitly endorsed by the city through the "STR registration" program. Regardless of one's opinion of STRs, they are in our community already. If we ban them we would lack the means to regulate them (which is expensive and would be funded by fees on them) and deny our residents of the potential benefits they bring. But to live with them, we must have a vision of how they fit into our community.

I will start with my vision for STRs in the commercial zone and overlay. STRs are a modern take on a hotel. Many of the functions of a hotel's staff can be automated, and preventing that automation is not practical in the long run - luddites are rarely successful in preventing progress. However, we should keep the same expectations of them as we have for hotels. They should be monitored 24 hrs for disruptive behavior. They should be located near the services that tourists frequent. They should engage with our community and above a certain size offer amenities to our community, such as common spaces, restaurants, etc. They should not be allowed to displace other businesses just because they can now operate in a smaller footprint. I would like to see the following provisions for commercial zone STRs:

- Provisions to limit their proliferation, either by limiting the number, or designating spaces that they cannot use.
- Provisions to limit their impact on street-level commerce by banning them from occupying street level commercial space unless approved through a conditional use permit (CUP)
- Provisions that require owners and developers to contribute back to the community if they own a large number of STRs.
- Taxation of revenue from STRs.

Moving on to residential zones. These zones are primarily for the exact thing the zone name implies - residential living. The city is right and justified in limiting commercial activity in residential zones. Where STRs are allowed, they should be a tool for residents of our community to benefit from the tourism industry. This leads me to the following conditions for STRs in residential zones:

- Owners/operators of the STR should primarily live on the same property. This is to maintain oversight of the business and ensure that the inevitable give-and-take of business decisions include the impact on the neighbourhood.
- STRs should be limited in total number throughout our community. This is to ensure that properties remain for long-term rental.
- STR permits should be rotating. This is to ensure that all members of our community have equal rights, over time, to the potential income from STRs.
- STRs should not be limited in duration over the course of a year. If the owner/operator lives on the same property and uses an ADU or a portion of their house for an STR, they should be able to decide how often it is occupied.
- ADUs should be allowed for STR. I see this as a way to accelerate the growth of our housing stock since the ability to use an ADU as an STR will help cover the costs of its construction. When the STR permit is up, that ADU might be removed from the STR inventory, it is likely the owner/operator will still desire or need the income and transition it to a long-term rental.
- STRs should be allowed anywhere in the city. Proximity to downtown should not dictate if a member of our community can benefit from the tourism industry.
- There should be a "vacation rental" permit that allows people that are leaving town for short durations, for example, over the Christmas holiday, to STR their home for a maximum of 2-4 weeks. This has a couple of benefits: 1) it increases our overnight stay beds during peak times, and 2) it allows residents to benefit from the tourism economy when it's clear they are not adversely impacting housing availability or community composition.
- STR permits should have a term of 5 years. This allows reasonable financial planning around property improvements required to meet STR codes.
- STR permits should be granted provisionally to people planning on construction but needing confirmation of income to finance the construction. Provisional permits should have an expiration after 6-12 months unless

hardship can be shown. This allows owners to have financial foresight while ensuring the city can count on the tax income in a reasonable timeframe.

- STR permits should be priced to cover the city's costs of administration and enforcement
- STR revenue should be taxed

When it comes to limiting the number of STRs, doing so based on current housing stock makes sense. I am in favor of a number between 5% and 10% of dwelling units, meaning one of every 10-20 houses would have an associated STR. A typical block in White Salmon has 3-5 houses per side, so there would be one STR for every 1 or 2 blocks. The city's research shows we have about 120 STRs in White Salmon and the urban exempt area (UEA), putting the current percentage at about 8.5% of White Salmon's dwelling units in 2018 (reference Fig 4.1 of the 2020 Urbanization Study [[https://www.white-salmon.net/sites/default/files/fileattachments/planning\\_commission/page/3431/white\\_salmon\\_urbanization\\_study\\_financial\\_nov\\_11\\_2020.pdf](https://www.white-salmon.net/sites/default/files/fileattachments/planning_commission/page/3431/white_salmon_urbanization_study_financial_nov_11_2020.pdf)]). This is imprecise since the 120 STRs includes those in the UEA, and the 8.5% is based on the number of dwellings in White Salmon. However, the UEA is less populated than White Salmon so I think the percentage will be fairly accurate. Given the jobs and economy that has been created around caretaking of STRs, I believe we should maintain 120 STRs in order to keep our neighbors employed. This number should be held constant as more dwellings are built until the STR percentage decreases to 5%, at which time it should be re-evaluated.

When it comes to current STRs, I believe that current, valid registrants should be granted permits outside of whatever selection process is used for the first round. This gives 5 years (or whatever city council decides is the right permit duration) for financial re-evaluation. This is sufficient for financial planning and gives ample time to reevaluate investment composition.

Regards,  
Seth Gilchrist