



**CITY OF WHITE SALMON**  
**Planning Commission Meeting - Wednesday, August 25, 2021**

**COMMISSION AND ADMINISTRATIVE PERSONNEL PRESENT**

**Commission Members:**

Greg Hohensee, Chairman  
Ross Henry  
Michael Morneault  
Seth Gilchrist  
Tom Stevenson

**Staff:**

Brendan Conboy, City Land-Use Planner  
Erika Castro Guzman, City Associate Planner  
Jan Brending, City Clerk-Treasurer

**CALL TO ORDER/ ROLL CALL**

Chairman Greg Hohensee called the meeting to order at 5:35 p.m. Four audience members attended by teleconference. A quorum of planning commissioner members was present.

**APPROVAL OF MINUTES**

1. **Approval of Meeting Minutes – March 24, 2021**
2. **Approval of Meeting Minutes – March 31, 2021**
3. **Approval of Meeting Minutes – April 28, 2021**
4. **Approval of Meeting Minutes – May 12, 2021**
5. **Approval of Meeting Minutes – June 23, 2021**

**Moved by Tom Stevenson. Seconded by Seth Gilchrist.**

**Motion to approve minutes of March 24<sup>th</sup> to June 13<sup>th</sup>, five meeting minutes as corrected.**

**CARRIED 4–0. 1 Abstained.**

**Hohensee – Aye, Henry – Aye, Gilchrist – Aye, Stevenson – Aye, Morneault – Abstained.**

**DISCUSSION ITEMS**

**6. COMPREHENSIVE PLAN UPDATE – LAND USE DESIGNATION MAP CHANGES**

**a. Presentation – Short-term Rentals**

Land-use Planner Brendan Conboy presented the purpose and policy of the Moratorium on New Short-term Rentals (STR) and its existing conditions in the city's housing stock. Land-use Planner Conboy additionally provided STR regulatory tools and alternatives on approaching STRs.

The proposed STR Regularoty Tools included:

1. Tracking Software
2. Zoning Amendments
  - Location
  - Duration
  - Quantity
  - Occupancy
3. Restrict ADUs from STR use
4. Modify or repeal Ordinance 2019-12-1052 Adopting WSMC 5.02 Short-Term Rentals
5. Additional text amendments on dual-use
6. Requirements for on-site signage and 24/7 contact

7. Incentives for landlords to convert their STR into long-term housing.
8. Increased permit fees
9. 'Additional' 2% lodging tax for affordable housing

Alternative Zoning 1:

An overlay of the commercial downtown core within which STR is an allowed use by permit without owner-occupancy. Outside of the overlay, STR is not allowed.

Alternative Zoning 2:

An overlay of the commercial downtown core and walkable downtown residential core within which STR is an allowed use by permit with requirements for owner-occupancy in the residential areas of the overlay. Outside of the overlay, STR is not allowed.

Alternative Zoning 3:

Modify Ordinance 2019-12-1052 adopting WSMC 5.02 Short-Term Rentals. Allow STR throughout the entirety of the city by permit with requirements for owner-occupancy by location. This is the current status quo, with owner-occupancy requirements added for any new STR.

Alternative Zoning 4:

Repeal Ordinance 2019-12-1052 adopting WSMC 5.02 Short-Term Rentals. Do not regulate STR beyond current measures, but make zoning amendments to make explicit that it is a commercial use not allowed in residential zones for enforcement purposes. Existing permitted uses will be able to continue their STR use.

b. **Workshop – Short-term Rentals**

Commissioner Stevenson clarified that the increase in short-term rental complaints was globally recorded, not locally. Staff stated that the city had received more informant-type concerns vs. complaints/calling the authorities. Commissioner Stevenson believes that when STRs increase, it limits the supply of monthly rentals, increasing the cost of monthly rentals.

Commissioner Henry requested clarification on the data, asking if it included the urban exempt area. Land-use Planner Conboy stated that the data was based on a census, and it is hard to get data for a small town. He noted that the data managed by the tracking software would only include the city limits, not urban exempt as the city cannot control the urban exempt area (currently under Klickitat County's Jurisdiction). Commissioner Henry stated that the city should acknowledge that if we regulate STRs, we may inadvertently push them into the urban exempt area, where they may cause more of an issue. Land-use Planner Conboy said that the tracking software distinguishes short-term rental space and enforces compliance; it is estimated that the city may have roughly 90% compliance with whatever regulation the city implements with some level of tracking software.

Regarding Exhibit 3.11: Klickitat County 20-year Employment Forecast, it is unclear if 'other' includes independent contractors.

Commissioner Morneault stated that the tracking software's annual cost might vary with added amenities and that it is essential to recover the cost with the licensing fee. Staff clarified that STR registration is under a business licensing tracking method, not a permitting process. Staff estimates the annual licensing fee to be an average of a two-night stay. It was further defined that the fees will be handled through staff, but that staff does not have time to track STRs.

Commissioner Gilchrist would like to clarify what owner-occupied means and if that would restrict the whole home from being short-term rented. Staff believes the tracking software would not track if the owner is gone for a short time vs. absent. Commissioner Gilchrist stated that he thinks fines may also recoup the cost of the software. He emphasizes that the city has a limited housing supply with low supply and high demand; he believes that analyzing the market would impact how strict he is willing to regulate STRs.

Chairman Hohensee noted that the company that gave us data is the same company trying to get us to purchase their STR tracking software that states that STRs have a negative impact on the community. He said that the planning commission and city council are tasked to see the negative and the positive effects, and a decision may not be clear until an analog of STRs is conducted. He favors ADUs for infill as it potentially helps owner-occupied families in the community but acknowledges that it would be harmful if all ADUs became STRs. Chairman Hohensee stated he would like to encourage long-term rent to qualified renters as there is concern that the city may push out STRs to the urban exempt area. Chairman Hohensee asked if STRs would be best regulated by location. Land-use Planner Conboy stated that the best way to define an area for STRs would be with an overlay that applies to any underlining zoning.

**c. Discussion**

Commissioner Henry stated out of state buyers are already incentivized because Washington State does not have an income tax. He is concerned that owner-occupancy would add to the incentive for out-of-state owners to declare residency in White Salmon, despite not living in the area. He acknowledged that if a percentile of the housing stock would determine the number of STRs, it would constantly require adjusting based on new construction or annexation. Commissioner Henry suggested that there be no regulation above a specific property value, e.i. Bluff homes that will never be affordable.

Commissioner Morneault believes that STR licensing should not be transferable.

Commissioner Gilchrist states he would like the city to be careful not to create jealousy with STR applications; he believes it is important for the residence to use STRs at the same level regardless of economic status. He adds that location would also cause a barrier as first they would have to afford property near downtown. He stated that he doesn't like the smaller overlay centralized around downtown, especially when someone requires a temporary home.

Commissioner Stevenson stated that he believes that STRs harm affordable housing. He said that he would not consider a ban on STRs and that he likes the idea of owner-occupied STRs. He also believes that they would fit well in the commercial zone and

should be heavily taxed. He stated that ADUs should be used for infill and long-term rent.

Commissioner Henry stated that he believes it is a separate discussion when someone rents a room(s) in their home vs. their whole house, and he believes that short-term renting the entire house is what is disrupting the housing market. He states that the city must define 'owner-occupied' clearly. Commissioner Henry believes that ADUs directly compete with local hotels when used as STRs. He would like to create a goal that assures the local population grows economically, not outsiders.

Chairman Hohensee stated that White Salmon is lucky to have the economy it has; although employment may change, the scenic area will always attract tourism and be part of the city's success. He believes STRs should be allowed, but in a manner that maintains a small town, village feel. Chairman Hohensee states that he favors Alternative 3 and wants zoning updated to reflect STRs more specific within each new zone. He thinks that the commercial zone should not require owner-occupancy. He believes there is a way to limit the number of STRs within each zone and still protect the supply and demand that increases rents.

Commissioner Stevenson suggested approaching STRs through a lottery system. Chairman Hohensee thinks that a lottery system would be a moot point; he believes that there may not be as many applicants as there would be slots.

No commissioner was in favor of a total STR ban for the City of White Salmon. Land-use Planner Conboy stated that the city intends to reduce STRs and establish new regulations for existing STRs. Further discussion entailed STR restrictions. Commissioner Henry was in favor of an overlay restriction. Commissioner Morneault agrees there should be a limitation. Commissioner Gilchrist does not support zoning restrictions as he would like to ensure multi-use because he believes that R3 can be where the city's affordable housing (such as apartments) can be. Commissioner Stevenson encourages different methods of regulating in different areas as he thinks it is primarily a commercial use and should be approached differently from a residential use. Chairman Hohensee stated that he would not like to see STRs in the R3 zone, that STRs should only be a percentage in the Commercial zone and limited in the other residential zones.

Commissioner Gilchrist stated that he was opposed to a percentage limit of STRs based on the housing stock. He believes STR restrictions would be best met with occupancy and duration limitations. Staff acknowledges that the proposed duration limitation adds complexity when tracking.

The Commission came to the following conclusions and consensus, broadly speaking, regarding the proposed alternatives and regulatory tools available:

- The Commission agrees that some way of tracking STRs prevalence and land use utilization is necessary, i.e., tracking software.
- The Commission favored limiting STRs per person/entity and implementing limitations on the number of nights.

- STRs have a place in the community and local economy. However, it should be taxed and regulated, and controlled by the four factors identified by staff: Location, Duration, Quantity, and Occupancy. All Commissioners favored the optional additional 2% tax to be used on affordable housing.
- Regarding the four alternatives proposed, the Commission, broadly speaking, was more in favor of something akin to Alternative 2. Commissioners shared the consensus that STR outside of the walkable downtown core in residential single-family neighborhoods should be restricted.
- The Commission struggled with reaching consensus on what defined 'Owner Occupied' and whether that meant a hosted rental or the ability to rent an entire house.
- Most commissioners were in favor of restricting Accessory Dwelling Units (ADUs) from being short-term rentals. Two commissioners (Hohensee and Gilchrist) did not favor this proposal from a property rights perspective.
- All commissioners favored restricting dual use of a property as long term and or short term to avoid evicting tenants for an STR season.
- Commissioners were receptive to incentives to encourage affordable housing. For example, one idea pitched was to allow a non-owner-occupied STR unit as part of a development in exchange for deed-restricted affordable or attainable units or as part of a unit bonus program.

#### **ADJOURNMENT**

The meeting was adjourned at 8:04 p.m.

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Greg Hohensee, Chairman

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Erika Castro Guzman, Associate Planner