



CITY OF WHITE SALMON
Planning Commission Meeting - Wednesday, October 27, 2021

COMMISSION AND ADMINISTRATIVE PERSONNEL PRESENT

Commission Members:

Greg Hohensee, Chairman
Ross Henry
Seth Gilchrist
Tom Stevenson

Staff:

Brendan Conboy, City Land-Use Planner
Erika Castro Guzman, City Associate Planner

Excused:

Michael Morneault

CALL TO ORDER/ ROLL CALL

Chairman Greg Hohensee called the meeting to order at 5:33 p.m. Forty-nine audience members attended by teleconference. A quorum of planning commissioner members was present.

APPROVAL OF MINUTES

1. Approval of Meeting Minutes – September 22, 2021

Commissioner Gilchrist requested the acronym for CUP be spelled out into Conditional Use Permit in the second paragraph of *Discussion Items - Short-term Rentals*.

Moved by Seth Gilchrist. Seconded by Tom Stevenson.

Motion to approve minutes of September 22, 2021, as amended. CARRIED 4–0.

Hohensee – Aye, Henry – Aye, Gilchrist – Aye, Stevenson – Aye.

ACTION ITEMS

2. 119 W Jewett Blvd, River Watch Hotel Design Review

a. Presentation

Land-use Planner, Brendan Conboy, presented to the Planning Commission the design review staff report.

The applicant, Riverwatch LLC, submitted a building permit for review on May 17, 2021, for a 29-unit lodging facility described as a Hotel/Short Term Residency. City staff reviewed the applicant's building plans for compliance with the White Salmon Municipal Code, Fire, and Building Codes. The proposal consists of two separate buildings with connected underground parking that steps down the slope adjacent to Southwest Riverwatch Drive. Phase one of the building permit was approved by the Building Official and issued on August 25, 2021. A second permit for phase two of the building permit was approved by the City Building Official and issued on October 19, 2021.

The applicant is requesting approval of COR-TEN® metal siding as an exterior material. COR-TEN® is a trademarked name owned by U.S. Steel and refers to weathering steel which, through oxidation with the elements over the years, produces a reddish rusty hue that removes the need for paint.

The White Salmon Municipal Code requires that metal siding in the Commercial zone is subject to Planning Commission approval. WSMC Sec. 17.048.075(C) states:

Exterior walls/metal—Metal walls, panels, partitions, facing or surfacing of any type is subject to review by the planning commission and must be found to be compatibly designed and intentionally applied rather than relied on solely as a less expensive option. Window panel fillers, exterior metal doors, door casings and windows shall be allowed.

COR-TEN® is a popular material used broadly in contemporary architecture for residential and commercial projects. Staff finds that the applicant's selection of COR-TEN® weathering steel has been intentionally applied and is compatible with the overall design of the building. Furthermore, CORTEN® is not a low-cost material, and staff finds that the selection is not motivated by cost compared to other acceptable materials.

Recommendation: Staff recommends that the Planning Commission approve the applicant's request for COR-TEN® steel as a material siding provided that the applicant satisfies the Planning Commission's concerns that the material siding meets the standards outlined in WSMC Sec. 17.048.075(C).

Applicant representative, Tao Berman, presented to the Planning Commission following staff's design review staff report. Berman stated that based on the approval criteria, the request should be approved for the following reasons. He quotes, *the variance will not constitute a grant of special privilege inconsistent with the limitation upon uses of other properties in the vicinity and zoning district in which the subject property is located* by stating that a building west of this location has copper as part of its exterior siding as well as to the building to the east has a dark covered porch. Berman adds that the (nonreflective) material and colors are essential to break down the overall scale of the building with an elegant and modern appearance. He comments that this siding will cost more and take longer to install than other siding options available. Berman stated that although this may be the first choice of siding, it may not be used if the material is backordered during construction.

b. Discussion

The Planning Commission discussed the design review proposal for 119 W Jewett Blvd's Hotel/Short Term Residency. Commissioner Gilchrist expressed gratitude for the comprehensive application and supporting documents. Commissioner Stevenson encouraged the applicant to use the COR-TEN® steel material siding if possible.

Berman clarifies that this build will look, feel and operate like a hotel.

Staff clarified that the applicant applied before adopting Ordinance No. 2021-05-1079 (May 19, 2021), amending the definition of 'tourist facilities' that had been previously interpreted to include short-term rental. In consultation with the City Attorney, it has been determined that the applicant is vested under the code at the time they applied, per RCW 19.27.095. This means that the application was reviewed under the code at the time of application which included hotel and tourist facilities as a principal use allowed outright subject to Type-1A administrative review. (The city is currently reviewing

Chapter 19.10 – Land Development Administrative Procedures to ensure that such projects will be subject to Planning Commission site plan review in the future.)

- c. **Moved by Seth Gilchrist. Seconded by Tom Stevenson.**
Motion to approve the Riverwatch LLC request for a design change to allow for COR-TEN® flat or corrugated steel, nonreflective. Any metal substitution of materials made is subject to the City Planner's approval. CARRIED 4–0.
Hohensee – Aye, Henry – Aye, Gilchrist – Aye, Stevenson – Aye.

Discussion: Berman clarifies that because of the supply chain disruptions, he would also like to have the option to install a nonreflective metal siding that is not necessarily galvanized. Chairman Hohensee confirms that the motion made allows for COR-TEN® steel siding, nonreflective or similar, either flat or corrugated. Land-use Planner stated that he was concerned with the loose end of 'similar.' Chairman Hohensee requested a message be sent to the City Council stating that the code's language includes gage of steel and reflectivity.

PUBLIC HEARING

3. **Amendments to WSMC5.02 Short-term Rental Draft Ordinance**

a. **Public Hearing**

Chairman Hohensee opened the public hearing at 6:02 p.m.

Written/Spoken comments received:

1. **Jacob Fishman, Inside city resident (testified via Zoom)**
Fishman thanked the Planning Commission as he believes the principles guiding the short-term rental decision are balanced between commercial and residential use. He stated that he has lived in the community for four years and supports keeping business. Fishman proposed that a short-term rental permit applies to a parcel instead of per dwelling unit. He stated that the day limit should be higher than 90-days a year for investing purposes. He proposed that if a quota is imposed, the permit can be renewed every 8-10 years vs. 5 years, as the average time a property owner owns a home is 8 years. He further proposed 'first in – first out' instead of a 'lottery system.' Fishman adds he is currently developing property near downtown to short-term rent.
2. **Kaycee Flinn, Inside city short-term rental business owner (Written Comment)**
3. **Joseph Schneider, Inside city cleaning business owner (testified via Zoom)**
Schneider stated that he has been a local vacation rental cleaner for three years and that if White Salmon were to eliminate (or limit) the number of short-term vacation rentals, it would significantly impact his income. He estimates 60% of his clients are short-term rental owners. Schneider requests the Planning Commission to consider other cleaners and not limit the number of short-term vacation rentals.
4. **Dan Baier, Inside city resident (Written Comment)**
5. **Virginia Hartnett, Inside city resident (testified via Zoom)**

Hartnatt shared she organized property owners on NE Green Street to sign in favor of the moratorium; of 19 homes, 11 are primary homeowners. She doesn't think that 90-days is too short for short-term rental owners. She said she loves her neighborhood and wants to preserve it. She added that she doesn't have to worry about their surrounding short-term rentals at this time but states that they do need to be regulated and controlled.

6. **Laurel Schmidt, Inside city resident (Written Comment)**

7. **Amy Sousa, Inside city resident short-term renter (testified via Zoom)**

Sousa stated she is an owner-occupied short-term rental owner (for the past year). She shared that her accessory dwelling unit (ADU) has helped pay their mortgage as they were unsure if they could afford the home otherwise. She stated that she believes the proposed amendments do not address the issues it is trying to address as there has been no data to justify the imposed statements. Furthermore, she believes it favors those in the commercial/multi-family zones to short-term rent where she believes that affordable housing would be more appropriate (based on their size and numbers). Sousa disagrees with the assumption that ADUs in the single and two-family residential districts were intended for long-term rental. Sousa stated that if she could no longer short-term rent her ADU, she would not provide long-term housing. She disagrees that short-term rentals place a disproportionate burden on the community compared to hotel guests; therefore, she is opposed to Title 5.02 as she feels it infringes on personal privacy laws protecting PII.

8. **Guillermo Maldonado, Inside city resident short-term renter (testified via Zoom)**

(In continuation of Amy Sousa comment) Maldonado stated that no data indicate that short-term rentals are a more significant burden on the community's businesses and livelihood than hotel guests. He is concerned that the city is making assumptions and requests that changes to Title 5.02 be delayed until data is published.

9. **Josh & Martha Coombs, Inside city resident short-term renter (Written Comment)**

10. **Shellee McCullick, Inside city resident short-term renter (to testify via Zoom)**

McCullick stated that she is a real estate agent and has a short-term rental in White Salmon with the hope of retiring here; she currently lives five months out of the year here. She is concerned about the limit of days she can rent as she has made important financial decisions based on being able to short-term rent the home. McCullick stated that she has operated the house legally, with no violations/complaints, and asks the planning commission to consider the following: (1) current responsible, permitted, and licensed short-term rental owners in White Salmon should be grandfathered into any new ordinances with the ability to operate their investments as the permits were initially intended; (2) Successful short-term renter permit owners should not be penalized after five years; and (3) a lottery permit system does not seem fair or reasonable for people who are trying to make important financial decisions or investments that significantly affect their future.

11. **Craig Ludwig, Inside city resident short-term renter (Written Comment)**

12. **Peter Vieth, Inside city short-term rental business owner (to testify via Zoom)**

Vieth stated he is a short-term rental business owner residing outside of town. He said that he lived in White Salmon before he lost his job, and short-term

renting became the best use of the property. He believes there are false perceptions on short-term rentals: (1), it's not 'a cash-cow,' he stated he has only broken even one year out of six; and (2) 'owners do not care about the community,' he said he had operated legally, known his neighbors, has contributed to White Salmon through volunteering and made improvements to the home for a better neighborhood, plus his guests contribute to the community's economy. Vieth stated that he would not rent long-term as he believes it would deny the use of his property; if he could not short-term rent, he stated that the property would likely become 'a dark-house.'

13. **Stephanie Huntington, Inside city short-term rental business owner (Written Comment)**
14. **Michele Reitz, Inside city short-term rental business owner (testified via Zoom)**
Reitz stated that she is a long-time resident and short-term rental business owner in White Salmon; she added that she operates legally and with a management company. She said she relies on short-term rental income and understands many of the proposed regulations. She would like to suggest protection for those that depend on the rental income, whether a resident or business owner. Reitz thinks the lottery system sounds arbitrary, and believes short-term rentals exist to bolster the economy and advertise for local businesses.
15. **Carl McNew, Inside city short-term rental business owner (Written Comment)**
16. **Jason Askins, Inside city short-term rental business owner (testified via Zoom)**
Askins stated he is concerned over the proposed 90 vs. 180 short-term rental limits as he thinks they are arbitrary. He said that if the objective is to incentivize long-term rent outside of the short-term rental window, it leaves four months. He added that leases do not work in that manner and would likely be reserved for family guests. Adkins believes limiting short-term rentals could impact the community's economy; he added that at an average guest spends \$50-70 a night, with an 80% year occupancy, the guests of one short-term rental could annually contribute between \$15-23,000.00. Askins stated that it is upsetting to hear homeowners say that they could not afford their mortgage without short-term rentals, and limiting that income could be unfortunate.
17. **Shane Phelps, Inside city short-term rental business owner (Written Comment)**
18. **Sonja McClanahan, Inside city cleaning business owner (testified via Zoom)**
McClanahan stated she has run a cleaning business out of Bingen, WA, for five years, has 10-14 employees and said short-term rentals provide 2/3 of her revenue. She has concerns about limiting short-term rentals as she believes it could bankrupt companies and individuals. She believes that half her employees would lose their jobs within her business without short-term rentals and put her company in jeopardy. She stated that short-term rental owners and guests benefit the economy. She thinks that if short-term rentals are converted into long-term rentals, it would not reach those who need it the most and may hurt many more in the process. McClanahan requests the Planning Commission consider all the ramifications and grandfather in the existing short-term rentals to continue operating through the moratorium.
19. **Susan Svensson, Inside city short-term rental business owner (Written Comment)**
20. **Sam Grimm, Inside city short-term rental business owner (testified via Zoom)**

Grimm stated that he would echo all the same comments already made. He said that he and his wife recently bought a home in White Salmon, anticipating the short-term rental income would assist with living expenses. He shared that short-term renting has given him flexibility and supplemental income as he has hosted for people all over the world. Grimm requested that those who are licensed and legally operated be grandfathered indefinitely.

21. **Mark Thompson, Inside city short-term rental business owner (Written Comment)**

22. **Laurel Harper, Inside city short-term rental business owner (testified via Zoom)**

Harper shared that she has operated a home-occupied short-term rental for four and a half years with no complaints and off-street parking. She said that her housekeeper is also a White Salmon resident paid more than \$26.00/hr and estimates her guests spend (a conservative) \$20,000.00 in restaurants annually. Harper stated that she does not think there should be a limit on the number of nights, does not think there should be a complete kitchen requirement, and believes cooking facilities may be more hazardous. She disagrees that homeowners should display contact information outside a short-term rental and believes the drawing system would cause chaos.

23. **Julie Burgmeier & Rob Lutgens, Inside city short-term rental business owner (Written Comment)**

24. **Adrienne Grimm Inside city short-term rental business owner (testified via Zoom)**

Grimm stated that she is concerned with the rush and lack of data to support the moratorium on short-term rentals. She said that she has hosted for five years with zero complaints; made energy-efficient upgrades to her home; and hired local cleaners with the supplemental income. She stated that she should not be penalized with the new rules after making a significant purchase, anticipating a short-term rental business, and the 90-day limit is too short. Grimm states that her home was previously operated as a non-occupied short-term rental year-round for many years before their purchase. She requests the Planning Commission to grandfather in her short-term rental to not risk losing that ability. She stated that it seems incongruent for the city to have clear goals to increase tourism in the comprehensive plan but consider damaging the rules for permitted short-term rentals.

25. **Lisa Cicala, Inside city short-term rental business owner (Written Comment)**

26. **Michael Tinervia, Inside city short-term rental business owner (testified via Zoom)**

Tinervia stated that he is a residence and super host. He stated that he purchased his home to rent out while away fighting forest fires. As a middle-class professional, he said that he could not afford the cost of living in White Salmon, WA, without supplemental income from his short-term rental business. Tinervia shared that he would be forced to leave his home without this income. Tinervia questions if anyone really believes that regulating short-term rentals would lower the cost of house prices. He stated that he understands the arguments but would not like rapid solutions to fix complicated problems. He said The Gorge is forever on the map of tourism, for better or worse, and punishing local homeowners is not an appropriate answer; he stated that White Salmon is lucky that tourism has kept the local businesses afloat during this difficult time.

27. **Lisa Evans, Inside city business owner (Written Comment)**

28. **Dennice Dierck, Inside city hotel business owner (testified via Zoom)**
Dierck stated she and her husband have owned The Inn of the White Salmon since 2017 and has been in operation since 1937. She said that her thoughts over the last two years in short-term rental discussions is the need for affordable year-round housing, and she hopes that it can be obtained by zoning and limiting short-term rentals. She states that the percentage of short-term rentals is high and encourages others to read past meeting minutes. Dierck stated that being local business owners, their primary concern is their employee's housing because it's difficult to maintain employees for the lack of affordable housing options, although wages are comparable to large metropolitans in Washinton. She added that their housing is uncertain from May to September, during the primary short-term rental season. Dierck stated that she advocates keeping the downtown commercial area reserved for retail space.
29. **Archer Mayo, Inside city business owner (Written Comment)**
30. **Leigh Hancock, Inside city short-term rental business owner (testified via Zoom)**
Hancock stated that she has been a resident for 30 years, appreciates the small-town charm, and is a short-term rental host. She seconded others' comments and said that her guests had brought tons of money into White Salmon, WA. She appreciates the effort to make strong neighborhoods, but she thinks the new rules are arbitrary and would not meet the city's goals. She believes accessory dwelling units are the most optimal way to operate a short-term rental. She stated that her accessory dwelling unit would not be rented long-term as it does not have full cooking facilities but works well as a short-term rental. Hancock said that she does not understand the limit on nights and believes fully licensed short-term rentals should be grandfathered.
31. **Mark Sanborn & Sandra Linnerud, Inside city owner (Written Comment)**
32. **Kevin Driscoll, Inside city short-term rental business owner (Written Comment)**
33. **David Johnson, Inside city business owner (Written Comment)**
34. **Dorothy Herman, Inside city short-term rental business owner (Written Comment)**
35. **Gerald Gadotti, Inside city business owner (testified via Zoom)**
Gadotti stated that he and his wife are small business owners beyond operating a short-term rental. He shared that he and his wife employ 20 employees. He said that he doesn't believe the proposed short-term rental regulations are going to accomplish what the city intends as most of the homes, if rented long term, would be outside the income of the average wage; therefore, he doesn't think it would contribute to the affordable housing issue. Gadotti stated that Hood River, OR saw that several homeowners had to sell their vacation homes when the regulations were tightened because they didn't have the supplemental income to support their mortgage.
36. **Julie Burgmeier, Inside city short-term rental business owner (testified via Zoom)**
Burgmeier stated that she has a short-term rental owner-occupied business and supports adding an extra 2% lodging tax on STR's to go into an affordable housing trust fund to make short-term rentals the solution to the housing issues in White Salmon, WA.
37. **Trevor McDiarmid, Inside city short-term rental business owner (testified via Zoom)**

McDiarmid stated that he is a new resident, but short-term rented in the area before deciding to move from Seattle, WA where he previously owned a short-term rental business and would like to replace it here. He thinks that the fear of the neighbors to the short-term rentals seems to be expressed louder than the positive experiences that the hosts have had by creating a home business. McDiarmid stated that he would like the data and more public comments to support the proposed changes.

Chairman Hohensee closed the public hearing at 7:33 p.m.

Comments collected after the public hearing:

1. David Johnson, Inside city business owner
2. Dorothy Herman, Inside city short-term rental business owner
3. Peter Vieth, Inside city short-term rental business owner
4. Shellee McCullick, Inside city resident short-term renter
5. Michael Tinervia, Inside city short-term rental business owner

b. Discussion

Land-use Planner, Brendan Conboy, presented to the Planning Commission the short-term rental moratorium and regulations. Commissioners appreciated the additional short-term rental data.

Commissioner Henry asks if the city has coordinated with the county regarding short-term rental regulations in the urban exempt area. Planner Conboy stated that the city is coordinating with the county on a number of issues, including short-term rentals, but further discussions would be needed.

Commissioner Stevenson asked what cities has staff communicated with regarding their short-term rental percentage. Planner Conboy stated that he had spoken with the City of Hood River, OR, as they are the only city in our area regulating short-term rentals.

Chairman Hohensee requested clarification on the 2019 housing study that estimated 21% of the housing inventory in White Salmon was seasonal/vacant. Staff clarified that short-term rentals would fall partly within occupied but mainly in the seasonal/vacant percentage.

Commissioner Gilchrist asked if the reported 21% seasonal/vacant percentage is per unit or property. Planner Conboy clarified that it may not include accessory dwelling units and that the number came from the latest urbanization study. Staff did not know how many of the existing short-term rental permits are accessory dwelling unit permits vs. homeshares.

Chairman Hohensee sought to clarify outright use in the commercial zone and create a conditional use permit process outside of said commercial zone. He stated he would like to clarify what would happen to the existing short-term rentals and if one applied for a short-term rental after the moratorium ends.

Commissioner Stevenson believes a strict rule for short-term rentals are important and likes the idea of short-term rentals following the conditional use permit process.

Commissioner Gilchrist stated that he appreciated the public comment and was moved by it as this was the most input the Planning Commission has had in this process. He said that the city should not increase its debt in the number of people the city would accommodate, therefore supporting a conditional use permit process moving forward. He said that otherwise, it would tie the city's hands to effectively regulate short-term rentals.

Commissioner Henry had no objection to proposing the conditional use permit for new short-term rentals.

The Planning Commission generally agreed to regulate short-term rentals differently in the downtown core area. It was decided that existing buildings that are currently commercial store front or any new construction cannot have residential use on the Jewett access.

Commissioner Gilchrist stated that he would like to keep units in the downtown as long-term rentals. He requested that staff look into the minimum/maximum square footage of residential units in the commercial area. He clarified that the proposed 50% guideline is of a building's residential units, not 50% of its square footage.

Commissioner Stevenson stated that they know there are many long-term rental units in the downtown core and think 50% is too high as they would not like to affect the current residential units adversely. Commissioner Henry agreed.

Commissioner Gilchrist stated that it might be best to lower the percentage of the short-term rental units to 30% and rounded up.

Commissioner Henry would like the city to distinguish between commercial properties versus existing residential properties in the commercial zone.

The Planning Commission generally agreed that a 30% (rounded up) of the residential units may be short-term rentals. Further discussion for existing residential properties within the commercial zone and grandfathering was tabled.

Commissioner Stevenson expressed concern for the parking requirements in the commercial area.

The Planning Commission discussed that new construction would require on-site parking and questioned if the existing properties would then be required to provide additional parking.

Commissioner Gilchrist suggested that if existing commercial properties or units change use, it does not increase parking. Further discussion for parking within the commercial downtown was tabled.

The Planning Commission generally agreed that short-term rental permits in the downtown commercial zone should be renewed annually and should not be further limited beyond the total residential unit percentage (meaning no lottery expiration).

Commissioner Stevenson shared he reached out to the City of Leavenworth regarding their handle of short-term rentals. He stated that Levensworth is a similar size city and strictly does not allow short-term rentals within the commercial zone; instead, they have a bed and breakfast zone. Commissioner Stevenson recommends that the commission review where bed and breakfasts fit in White Salmon.

The Planning Commission thanked the audience for their comments and encouraged them to attend the next meeting as they continue the public hearing for the proposed amendments to WSMC5.02 Short-term Rental Ordinance on November 10, 2021.

ADJOURNMENT

The meeting was adjourned at 9:04 p.m.

Greg Hohensee, Chairman

Erika Castro Guzman, Associate Planner