



Business of the City Council City of Gig Harbor, WA

Subject: First Reading of Ordinance No. 1467 – Imposing a Six-Month Moratorium Upon the Receipt of New Lodging Level 1 and Short Term Rental Applications

Proposed Council Action: Consider Ordinance No. 1467 and adopt at First Reading.

Dept. Origin: Community Development

Prepared by: Carl de Simas, Principal Planner

For Agenda of: September 27, 2021

Exhibit: Draft Ordinance

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

Initial &
Date

Small 9/21

AT 9/21/21

9/21/21

NA

9/21/21

(CND)

Expenditure Required	\$0	Amount Budgeted	\$0	Appropriation Required	\$0
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INFORMATION/BACKGROUND

On September 7, 2021, the City Council Planning and Building Committee passed a motion directing staff to draft an ordinance to enact a moratorium on the acceptance of new 'Lodging, level 1' applications and place the item on City Council's September 27, 2021 regular meeting agenda.

The issue stems from City Councilmember's concerns regarding the rise in short term rental activity within the City and the community's awareness that the use has been established without proper permitting in most cases. The City does not currently have a definition for short term rentals, nor zoning regulations pertaining to them directly. In answer to their rise in popularity, the Community Development Department has included them under the definition and land use designation of 'Lodging, level 1.'

GHMC 17.04.444 Lodging, level 1.

"Lodging, level 1" means a single-family residence which provides overnight lodging for guests, and may provide meals for overnight guests, not to exceed five guest rooms.

A short-term rental, or short-term vacation rental, is typically a dwelling unit, whereby the owner/operator does not reside on the premises, rather they rent the property, on the whole, for a period not to exceed 30-days. Note the following definition provided under Chapter 64.37 RCW:

(9)(a) "Short-term rental" means a lodging use, that is not a hotel or motel or bed and breakfast, in which a dwelling unit, or portion thereof, that is offered or provided to a guest by a short-term rental

operator for a fee for fewer than thirty consecutive nights.

(b) "Short-term rental" does not include any of the following:

(i) A dwelling unit that is occupied by the owner for at least six months during the calendar year and in which fewer than three rooms are rented at any time;

(ii) A dwelling unit, or portion thereof, that is used by the same person for thirty or more consecutive nights; or

(iii) A dwelling unit, or portion thereof, that is operated by an organization or government entity that is registered as a charitable organization with the secretary of state, state of Washington, or is classified by the federal internal revenue service as a public charity or a private foundation, and provides temporary housing to individuals who are being treated for trauma, injury, or disease, or their family members.

As the City is uncertain of the number of unpermitted short-term rentals operating within the City limits, and the extent of the impacts from those upon the community is unknown, adoption of a six-month moratorium could be appropriate to consider public testimony and analyze the topic. The resulting moratorium on new short term rental applications, including all Lodging, level 1 uses, will give the City time to answer questions, such as, but not limited to, the following:

- Should short term rentals be compliant with life/safety standards commonly applied to other types of lodging establishments?
- What mitigating zoning regulations should be applied to short term rentals for traffic, parking, noise and other impacts on the surrounding neighborhood?
- What is the fiscal impact to the City regarding collecting lodging and sales taxes on short term rental stays?

FISCAL CONSIDERATION

N/A

BOARD OR COMMITTEE RECOMMENDATION

The Planning and Building Committee recommends a moratorium on the acceptance of new applications for Lodging, level 1 uses until the full extent of the issue is understood and the City has determined whether new zoning regulations are needed to mitigate for impacts created by such a use.

RECOMMENDATION/MOTION

Consider Ordinance No. 1467 and adopt at First Reading.

ORDINANCE NO. 1467

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, IMPOSING A SIX MONTH MORATORIUM UPON THE RECEIPT OF NEW LODGING, LEVEL 1 AND SHORT TERM RENTAL APPLICATIONS, PROVIDING FOR SEVERABILITY; DECLARING A PUBLIC EMERGENCY; AND ESTABLISHING AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, under the authority of RCW 35.A.63.220 and RCW 36.70A.390, the City may impose interim regulations to be effective for a period of up to six months, and for six-month intervals thereafter; and

WHEREAS, in 2006, the City of Gig Harbor City Council passed Ordinance No. 1046, redefining the definitions for the following lodging uses: boardinghouse, bed and breakfast, hotel/motel and motel/hotel, into lodging levels 1, 2 and 3 categories, with lodging level 1 being the least intense, and add definitions for these categories; and

WHEREAS, short term vacation rentals have become a popular form of lodging in recent years creating increased demand for the use within traditionally single-family neighborhoods; and

WHEREAS, the City's zoning code doesn't directly address short term rentals as a land use, nor provide for any direct regulations; and

WHEREAS, the City of Gig Harbor Community Development Department has found short term vacation rentals to be most consistent with the definition for Lodging, level 1, GHMC 17.04.444; and

WHEREAS, the zoning code allows for Lodging, level 1 as a conditional use in the following zones: R-1, R-2, B-2, C-1, WR, WM, WC; and

WHEREAS, the zoning code allows for Lodging, level 1 as a permitted use in the following zones: R-3, RB-1, RB-2, DB, B-1; and

WHEREAS, market demand has produced an increase in the number of short term vacation rentals offered throughout the City; and

WHEREAS, the City has processed very few permits for short term rentals relative to the number thought to be operating within the City; and

WHEREAS, the City has not had sufficient time to fully evaluate the number of existing short term rentals, the effects they could have on the community, and any necessary mitigating zoning controls; and

WHEREAS, the City of Gig Harbor Planning and Building Committee of the City Council took up the issue at its regularly scheduled meeting of September 7, 2021, voting to move it on to the full City Council for consideration; and

WHEREAS, the Planning and Building Committee of the City Council, at its regularly scheduled meeting of September 7, 2021, directed staff to draft interim zoning controls for short term rentals and place on the next City Council regular meeting agenda; and

WHEREAS, the City Council would like to immediately cease acceptance of permits for Lodging Level 1 on an interim basis to provide City staff and the Planning Commission time to make recommendations to the City Council with respect to short term vacation rentals. The immediate nature of this ordinance is necessary in order to preserve the status quo and to prevent applicants from potentially vesting rights inconsistent with the City's future regulatory framework to be considered and adopted during the period of this moratorium and to ensure the protection of the community's health, safety and well-being while the topic is analyzed and researched further;

NOW THEREFORE, the City Council of the City of Gig Harbor, Washington, do ordain as follows:

Section 1. The City hereby imposes a moratorium upon the receipt and processing of new applications for Lodging, level 1 uses.

Section 2. Hearing. The City Clerk is hereby authorized and directed to schedule a public hearing on the moratorium to be held within 60 days of adoption of this ordinance, and to provide notice of said hearing in accordance with applicable standards and procedures. Pursuant to RCW 35A.63.220 and RCW 36.70A.390, the City Council shall adopt legislative findings in support of this ordinance and/or otherwise modify the provisions of the moratorium after said hearing.

Section 3. Severability. If any section, sentence, clause, or phrase of this ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

Section 4. Declaration of Emergency; Immediate Effective Date; Sunset. The findings and conclusions above are adopted by the City Council in support of the designation of this ordinance as a public emergency ordinance necessary for the protection of the public health, public safety, public property and public welfare. This ordinance shall take effect immediately upon adoption by the Council, by a vote of a majority of the Council plus one, and shall remain effective for six months unless terminated earlier or extended by the City Council.

Section 5. Correction of Errors. The City Clerk and codifiers of the ordinance are authorized to make necessary corrections to this ordinance including, but not limited

to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

ADOPTED by the Council of the City of Gig Harbor at a regular meeting thereof, held this 27th day of September, 2021.

Kit Kuhn
Mayor

Approved as to form:

Attest:

Daniel Kenny
City Attorney

Joshua Stecker
Interim City Clerk

PUBLICATION DATE: 9/30/21
EFFECTIVE DATE: 9/27/21