



City of Stevenson

Planning Commission

(509)427-5970

7121 E Loop Road, PO Box 371
Stevenson, Washington 98648

TO: City Council
FROM: Planning Commission
DATE: October 14, 2025, 2025
SUBJECT: Vacation Rental Homes – Policies and Tools – Review Status

Background

The City's current vacation rental program was enacted in 2016. The program is composed of an annual licensing requirement, a registry, self-certification of consistency with 10 regulatory measures, and complaint-based enforcement mechanisms.

In April 2025, the City Council received a request from members of the public to revise this program. The request voiced concern over the impact of vacation rentals on the nature and character of the City's residential neighborhoods and suggested adding greater restrictions and new enforcement mechanisms.

The City Council referred the policy review and analysis to the Planning Commission. In May 2025, the Planning Commission initiated the review and established its public involvement expectations. Those expectations involved an unbiased solicitation of public feedback via a listening session. The listening session was held in August 2025. While sparsely attended, the listening session involved diverse perspectives and thoughtful conversation between Planning Commissioners and the interested public.

The Planning Commission accepted the attendance as appropriate for the initial stage of the policy development and anticipates more involvement as draft policies and regulations are developed. In August 2025, the Planning Commission requested staff to collect data regarding raw numbers and trends in vacation rental licensing under the current program. In addition, an ad hoc subcommittee of 2 Planning Commissioners met with City staff to develop initial recommendations for consideration. This was followed by a second meeting of 2 Planning Commissioners and staff to further refine the recommendations and discuss further public involvement. This report discusses the Planning Commission's findings regarding the current vacation rental program, possible changes to the program, and plans for engaging the public to develop a formal proposal for consideration the City Council.

Current Vacation Rental Licensing Program

In establishing the current vacation rental licensing program, the City recognized that rental of dwellings for a period less than thirty days contributes to the City's comprehensive plan's tourism goal. However, it also recognizes that the use has the potential to be incompatible with surrounding or adjacent residential uses. The city vacation rental regulations (Chapter 5.20) are intended to ensure that this use will:

- Benefit the local economy;

- Reduce administrative burdens and barriers to entry;
- Ensure market fairness and taxation;
- Protect guests; and
- Avoid unchecked neighborhood disruptions.

The ordinance's key provisions are summarized below.

- An annual license and fee are required for the operation of vacation rental;
- A license may be renewed provided the applicable standards of the ordinance have been met.
- A license may be revoked for failure to comply with the provisions of the ordinance.
- An annual notice must be provided to all property owners and/or occupants of adjacent properties advising them how to contact the owner or operator of the vacation rental.
- The owner of a vacation rental need not be a permanent resident, but must have a local contact person to represent the owner.
- The owner or contact person must respond to concerns or complaints in reasonably timely manner and should maintain a complaint log.
- Vacation rentals are subject to city inspection to ensure to determine conformance with the Vacation Rental Fire Safety Checklist. It is the owner's responsibility to compliance with the fire safety checklist and remains in substantial compliance with all other applicable fire, building and safety codes.
- The owner is responsible for all applicable tax reporting and payments and must maintain liability insurance which expressly covers the use of the dwelling unit as a vacation rental.

Vacation Rental Policy Review

The Planning Commission's review of the current vacation rental ordinance focused on the following factors:

- The loss of neighborhood character and livability should residential areas become oversaturated with vacation or short-term rentals
- The reduction in housing available to meet long-term residential needs
- The need to assure vacation rentals meet basic fire and safety standards
- The spotty compliance with current requirements
- The need to simplify and focus regulations on the most critical needs, and improve the ease of administration.

The current vacation rental ordinance effectively allows a commercial tourist lodging in residential zones provided certain conditions are satisfied. It does not limit the number, density, or location of vacation rental units. It does not limit the number of vacation rental units owned or operated by an individual or business. Moreover, owners and operators of vacation rentals do not need to be resident of the city. Members of the public have voiced concern that the uncontrolled growth of vacation rentals could reduce the availability of housing needed for permanent or long-term residents and that constantly changing short-term tenants and vacancy periods could adversely affect the character and livability neighborhoods.

In 2025, there were 9 fully and 14 partially licensed vacation rentals in the city. This represents approximately 2.5 percent of the city's single family housing stock. The fully licensed rentals had paid the license fee and satisfied the various administrative requirements. The partially licensed rentals had paid the license fee only. This situation may be attributable in part to the fact that license fees are paid through the Washington State Department of Revenue Business Licensing Service and not directly to the city.

The focus of the current ordinance is primarily ensuring vacation rentals (a commercial use) are conducted in a manner compatible with the nature and character of the city's residential neighborhoods. Unlike other types of commercial lodging, this places unique burden on city staff to conduct inspections and ensure compliance with ordinance's requirements. This demand on staff time and resources may also contribute to the lack of full compliance with the ordinance.

One the key objectives is to ensure that the operation of vacation rentals protects the safety of tenants by requiring compliance with Vacation Rental Fire Safety Checklist and the "substantial compliance with all applicable fire, building, and safety codes." It is not clear that the city has a fire safety checklist, nor is it clear what the applicable fire, building, and safety codes are.

Vacation Rental Policy Recommendations

Based on public input and our review of the current vacation rental ordinance, the Planning Commission recommends consideration of the following updates and revisions:

- A **numerical cap** on the total number of units that can be granted licenses, based on consideration of the current number and the objective of keeping total below about 5% or a fixed number of total housing units in the city. If the cap is reached, new license application would be placed on a **waiting list** and approved on a first come, first served basis when a license becomes available.
- New and subsequent licensees must have their **primary residence** in the City of Stevenson.
- Existing **non-resident owners** would be grandfathered if registered within 90 days of the effective date of the revised ordinance and maintain a valid license.
- **Two units** per resident, one being with within the home of a resident or an associated Auxiliary Dwelling Unit (ADU) and the second being a separate residence.
- **Annual licenses** are non-transferable.
- Licenses specify **occupancy limits**.
- **Fire and building safety inspections** are the responsibility of the owner, not the city. The owner utilizes clearly specified inspection standards and requirements and a list of locally available inspectors.
- Ongoing **owner management requirements** to include prompt response to complaints, notice to adjacent property owners, and tenant use and behavior requirements. The owner must maintain **liability insurance** which expressly covers the use of the dwelling unit as a vacation rental.
- **Enforcement measures**, including fines and license revocation.

Next Steps

If the City Council concurs, the Planning Commissions proposes reaching out to city residents to discuss the possible updates and revisions to the vacation rental ordinance. The goal of this outreach is to obtain broader public input on the need for and scope of a vacation rental program and ordinance. This outreach could include a public workshop, a mailing to residential home owners, postings on the city website and Facebook page, and publication in the newspaper.

Using the public feedback, the Planning Commission would work with the city staff and attorney to propose specific ordinance language for City Council consideration.