



City of Stevenson

Planning Department

(509)427-5970

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

TO: Planning Commission
FROM: Ben Shumaker
DATE: September 8th, 2025
SUBJECT: Vacation Rental Homes – Policies and Tools

Introduction

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

In April 2025, the City Council received a request from members of the public to alter this program. The request involved adding greater restrictions and new enforcement mechanisms. The City Council referred the policy analysis/development 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 square-one stage of the policy development and anticipates more involvement as draft policies and regulations are developed. In August 2025, the Planning Commission also established its data needs. Those needs are limited to the raw numbers and trends in licensing under the current program. They are satisfied proceeding without economic analysis or tax collection-related data. In August 2025, an ad hoc subcommittee of 2 Planning Commissioners met with City staff to recommend next steps.

This report reviews the recommendations of the subcommittee.

Previous meeting documents and recordings are available online at <https://www.ci.stevenson.wa.us/meetings>.

Recommended Action

The subcommittee recommends the following next steps:

- Planning Commission to recommend Policy Intents and Regulatory Tools to City Council
- City Council to review and accept or alter Planning Commission recommendations
- Staff to develop code language based on City Council direction
- Planning Commission review and recommendation of code language
- City Council action on Planning Commission recommendations

Policy Intent

The table below lists the public purposes to be served by the recommended vacation rental licensing program. These purposes include a policy rationale describing why the public purpose is believed appropriate for Stevenson at the current time. The rationale should be considered draft until the full Planning Commission recommends it for City Council review.

| August 2025 Subcommittee Proposal | |
|-------------------------------------|--|
| Public Purpose | Policy Rationale |
| Preserve Housing Availability | Operating a home as a vacation rental home is a profitable endeavor, typically more so than as a long-term rental or personal residence. Investors seeking to avail themselves of this profit purchase homes to be operated as vacation rental homes, effectively removing them from the housing stock. Regulations are necessary to ensure the City's limited housing stock remains available for long-term residents (owners & renters). City intervention is necessary to preserve housing availability. |
| Maintain Neighborhood Character | <p>"Neighborhoods are for neighbors." Vacation rental homes disrupt neighborhoods in 2 ways.</p> <ul style="list-style-type: none"> • Short-term guests and outside investors in vacation rental homes have weak social bonds with the long-term residents of our neighborhoods. Typical long-term residents develop community, and members of a community care for each other in ways short-term guests do not. Neighborhood disruptions occur but occur within a social compact that does not exist with short-term renters. • Vacation rental homes leave neighborhoods hollow. This is true during periods when they are vacant. This leaves fewer "eyes on the street" performing neighborhood watch functions. Vacant periods coincide with the "famine" period of the "feast of famine" cycle experienced by our tourism-/service-oriented businesses. Even when occupied, vacation rental homes do not send children to schools, contribute to declining enrollments. <p>City intervention is necessary to limit the impact vacation rental homes have on their neighbors and the character of the City's neighborhoods.</p> |
| Ensure Market Fairness and Taxation | Owners of vacation rental homes participate in a marketplace with legacy types of overnight accommodations (hotels, hostels, campgrounds, etc.). Regulatory consistency and different taxation mechanisms play out on a playing field that is not always level. The industry has largely addressed earlier issues involving the non-collection/remittance of lodging and sales & use taxes. It is still grappling with the vacation rental home owners' payment of business & occupation taxes. Vacation rental homes and legacy accommodation types are subject to different building codes, utility rates, and regulatory controls. City intervention is necessary to level the playing field and ensure collection of taxes. |
| Protect Guests | While they are here, short-term guests are residents of the Stevenson community. They deserve protection from hazards to their life, health, and safety. The joint-review nature of the industry protects against many such hazards; few new bookings will occur if past reviews dwell on the hole in the floor/or other hazard. Some limited City intervention is necessary to protect guests from less obvious hazards to life, health, and safety. |
| Reduce Administrative Burden | Administrative burdens should be avoided. This assists vacation rental home owners to more easily operate consistent with City interventions. It also assists City staff who must perform their duties related to vacation rental homes alongside the duties required in the provision of several other City services. City intervention should result in a program that is manageable for the regulators and the regulated. |
| Provide Effective Barriers to Entry | In balance with the administrative burdens of implementation, owners entering into the vacation rental marketplace should fully understand that marketplace and provide quality experiences for their guests. |
| Benefit Economy | Ownership of a vacation rental home can be lucrative. The benefits of this should not be reserved for the home owner, but spread to other services providers. |

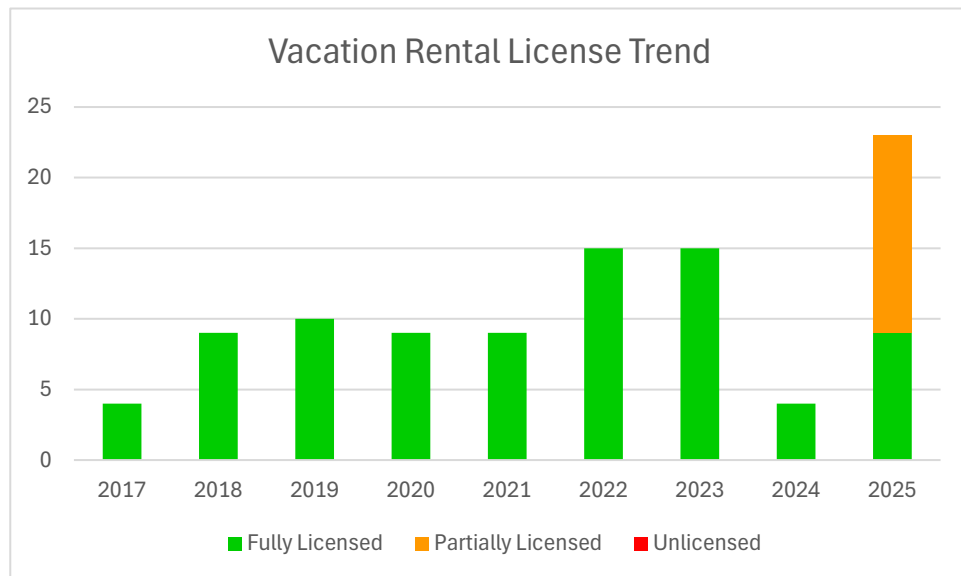
Regulatory Tools

The table below lists the tools to be employed to achieve each of the public purposes.

| August 2025 Subcommittee Proposal | | | | | | | | |
|--|--|-------------------------------|---------------------------------|-------------------------------------|----------------|------------------------------|-------------------------------------|-----------------|
| | | Preserve Housing Availability | Maintain Neighborhood Character | Ensure Market Fairness and Taxation | Protect Guests | Reduce Administrative Burden | Provide Effective Barriers to Entry | Benefit Economy |
| Current Interventions to Continue | | Purposes Advanced | | | | | | |
| Annual License Renewal | | | X | X | | | X | |
| Revocable License | | | X | | X | | X | |
| Neighborhood Notice | | | X | | | X | X | |
| Local Management | | | X | | X | X | X | X |
| Interior Informational Posting | | | X | | X | X | | |
| Added Parking Standards | | | X | | X | | | |
| Complaint Log/Action Log | | | X | | | X | X | |
| Fire Code Compliance | | | | X | X | | X | X |
| Taxation | | X | X | X | | | X | |
| New Interventions to Consider | | | | | | | | |
| Proof of Residency | | X | X | | | | X | |
| On-site Ownership Preference | | X | X | | X | X | X | |
| Cumulative License Cap | | X | X | | | | X | |
| Individual Licensee Cap | | X | X | | | | X | |
| District-Specific Allowance | | X | X | | | | X | |
| Water Shutoff Penalty | | X | | | | X | | |
| Private Inspections | | | | X | X | | X | X |
| Current Interventions to Remove | | | | | | | | |
| Staff Inspections | | | | X | X | | X | |

Licensing Trends

The figure below provides tracks fully licensed vacation rental home operations from 2017 to 2025. The data for the current year also includes partially licensed operations, which are paying their license fee to the Washington Department of Revenue (14), but—unlike the fully licensed (9) operations—have not completed all associated city paperwork. No operations were found which were entirely unlicensed. In 2025, 7 of the 23 licenses are held by out-of-town owners.



Prepared by,

Ben Shumaker
Community Development Director

Attachment
1- Subcommittee Report

Short Term Rental Discussion Notes

PC subcommittee of Lawson, Hales, Shumaker

8/21/2025

Memo to Council noting community interest in the topic and PC's belief that Stevenson should update the policy and its administration. PC has identified what we believe should be key policy elements and if Council directs, we will proceed in this direction and prepare ordinance language to review, hold a hearing, amend if appropriate, and forward to Council for consideration and approval.

Primary factors driving this initiative:

- Loss of livability if Stevenson become oversaturated with short term rentals (STRs)
- Reduction in housing available for long-term residential use
- Need to try to assure basic fire and life safety in STR units
- Spotty compliance with current requirements
- Need to simplify and focus our regs on the most critical issues, and improve ease of administration

ELEMENTS TO INCLUDE IN UPDATED POLICY:

- A **numerical cap** on the total number of units that can be granted permits, based on consideration of the current number and the objective of keeping total below about 5% of total housing units in the City
- No new **non-resident owners**. Existing non-resident owners grandfathered if registered by 90 days after effective date of revised ordinance
- New and subsequent licensees must have their **primary residence** in the City of Stevenson
- **One unit** per licensee
- Licenses are **not transferable**

- Basic fire and life safety **inspection** conducted and reported to the City from a list of locally-available private inspectors.
- Ongoing **management requirements** once licensed, including occupancy limits, prompt response to complaints, and criteria for revocation of the license