



City of Stevenson

Planning Commission

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TO: City Council
FROM: Planning Commission
DATE: January XX, 2026
SUBJECT: Vacation Rental Homes – Review and Recommendations

At the request of the City Council, the Planning Commission has reviewed the City's land use policy relating to the vacation rental home ordinance. The review was undertaken in response to citizens' concerns regarding the impact of vacation rentals on the nature and character of the city's residential neighborhoods. In conducting its review, the Planning Commission worked with City staff and conducted 3 public work sessions with interested citizens and vacation rental operators. This memo summarizes the Planning Commission's review and provides specific recommendations for City Council consideration.

Current Vacation Rental Licensing Program

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 establishing the current vacation rental licensing program, the City recognized that rental of dwellings for a period of 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 a 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 a reasonably timely manner and should maintain a complaint log.
- Vacation rentals are subject to city inspection to ensure conformance with the Vacation Rental Fire Safety Checklist. It is the owner's responsibility to comply with the fire safety checklist and remain 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 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.

In conducting its review of the current city ordinance, the Planning Commission considered input received from interested citizens and vacation rental operators. It also looked at vacation rental ordinances for Skamania County and the cities of White Salmon, Bingen, Hood River and North Bonneville.

The current vacation rental ordinance effectively allows a commercial tourist lodging in residential zones provided certain conditions are satisfied. Unlike several Gorge cities, the ordinance does not limit the number, density, or location of vacation rental units. Moreover, owners and operators of vacation rentals do not need to be residents 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 short-term tenants and vacancy periods could adversely affect the character and livability of neighborhoods.

In 2025, city staff noted there were 9 fully and 14 partially licensed vacation rentals in the city. 16 of the vacation rentals were operated by residents of the city and seven were operated by non-residents. 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. There may also be additional unlicensed vacation rental units within 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 a unique burden on city staff to conduct inspections and ensure compliance with the ordinance's requirements. This demand on staff time and resources may also contribute to the lack of full compliance.

One of 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 that the vacation rental home ordinance be revised to:

- Set a **numerical cap** on the total number of units that can be granted licenses. The cap should be 5% of the city's total single-family housing stock and should be recalculated every 2 years. If the cap is reached, new license applications will be placed on a **waiting list** and approved on a first-come, first-served basis when a license becomes available.
- Require new and subsequent licensees have their **primary residence** in the City of Stevenson.
- Grandfather-in existing **non-resident owners** if they register within 90 days of the effective date of the revised ordinance and maintain a valid license.
- Allow a resident up to **two units**, one being within the home of a resident and the other an associated Auxiliary Dwelling Unit (ADU) or a separate residential home.
- Require **annual licenses and fees** for each unit. Licenses are non-transferable.
- Limit **Occupancy** to 2 guests per bedroom plus 2 additional guests.
- Require **one off-street parking space** be provided for every 2 bedrooms in the unit.
- Specify **fire and building safety** be the responsibility of the owner, not the city. The owner is responsible for certifying compliance with the city's Vacation Rental Fire Safety Checklist. The owner must maintain **liability insurance** which expressly covers the use of the dwelling unit as a vacation rental. Proof of insurance must be filed with the City with each license issuance.
- Specify ongoing **owner management requirements** include prompt response to and reporting of complaints, notice to adjacent property owners, and posting and enforcing tenant use and behavior requirements.
- **Prohibit certain uses** such company retreats, wedding rehearsal dinners, loud or uncontrolled parties, or commercial uses.
- **Specify enforcement measures** for warnings, fines and license revocation.