



## Technical Memo

**To** City of Tenino Planning Commission

**From:** SCJ Alliance

**Date:** July 7, 2026

**Project:** City of Tenino 7/8/2026 Planning Commission Meeting

**Subject** Short-Term Rentals in Tenino: Current Code Context and Policy Options

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### Introduction and Summary

The City of Tenino Planning Commission is considering whether and how the City should amend its land development regulations to permit and regulate short-term rentals, such as Airbnbs and VRBOs. The goal of this discussion is to identify the current code obstacles; clarify how short-term rentals differ from existing lodging, bed and breakfast, and accessory dwelling unit provisions; and consider ordinance approaches used in other communities.

Short-term rentals are not clearly authorized under Tenino's current code. While the code includes a broader "lodging use" category for sleeping or residential units rented for less than 31 days, the "conventional lodging" definition expressly excludes "short-term rental unit," campgrounds, and bed and breakfasts. At the same time, short-term rentals do not appear as an allowed use in the use tables. Because Tenino's code states that any use not listed in a zone is considered prohibited unless interpreted otherwise by the Community Development Director, this creates the core code issue the City would be fixing: the code recognizes that short-term rentals are different from conventional lodging, but does not establish where or how they may be permitted.

### 1 Existing Code Context

Tenino's current code does not appear to contain a standalone section that expressly prohibits short-term rentals (STRs). Instead, the issue is that short-term rentals fall into a gap between several existing use categories. The code defines short-term lodging activity in some places, but does not clearly identify STRs as an allowed use, assign them to specific zones, or establish permitting and operating standards. The following sections summarize the main code provisions that create this uncertainty.

## Lodging Uses (TMC 108.40.050)

Tenino’s Development Standards define a “lodging use” as a sleeping unit or residential unit rented for occupancy of less than 31 days.<sup>1</sup> This definition is broad enough to generally describe the time frame associated with short-term rentals. However, the code then defines “conventional lodging” as lodging other than uses specifically defined elsewhere, including hotels and motels, and specifically states that conventional lodging does **not** include a “short-term rental unit,” campgrounds, or bed and breakfasts.<sup>2</sup>

So although there is not a direct “prohibition” on STRs – that is, the code does not specifically ban them in a standalone section – the obstacle instead is that the use is effectively excluded from conventional lodging and is not separately listed as an allowed use.

## Classification of Uses (TMC 108.40.020)

The clearest current code obstacle is Section 108.40.020.D, which states that if a use is not listed as a use in a zone, it is considered prohibited.<sup>3</sup> The Community Development Director may make an interpretation to determine whether an unlisted use is allowed or prohibited and, if allowed, determine the zones and permit type.

This means that without a code amendment or formal interpretation, short-term rentals lack a clear permitting pathway. This creates uncertainty for property owners, and also creates difficulty administering permits consistently for staff.

## Bed and Breakfast Provisions (TMC 108.40.110.C)

Tenino already allows bed and breakfasts in several zones, but the current definition is narrower than a typical Airbnb/VRBO model. A bed and breakfast is defined as a residential unit in which **bedrooms** are rented as lodging units; it must be accessory to a detached single-family unit; it may have no more than four lodging units; and the owner or manager must reside in the dwelling.<sup>4</sup>

This could be modernized at the same time as a short-term rental ordinance, but it probably should not be treated as the only path for STRs. Many short-term rentals involve the rental of an entire dwelling unit, ADU, or detached unit, rather than individual bedrooms with an on-site host.

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<sup>1</sup> [TMC 108.40.050.A](#), All lodging uses.

<sup>2</sup> [TMC 108.40.050.B](#), Conventional lodging.

<sup>3</sup> [TMC 108.40.020.D](#), Uses not listed.

<sup>4</sup> [TMC 108.40.110.C](#), Bed and breakfast.

## Accessory Dwelling Unit Provisions (TMC 108.40.110.B)

The ADU section identifies “guesthouse” as a type of ADU, but the stated intent of ADUs in Tenino’s code is to provide workforce housing. ADUs are defined as secondary dwelling units and include employee apartments, caretaker’s quarters, mother-in-law suites, and guesthouses. The code also allows one ADU per lot, excludes ADUs from residential density calculations, limits ADUs to 1,000 square feet, and requires design compatibility with the principal use.<sup>5</sup>

Because the ADU intent statement emphasizes workforce housing,<sup>6</sup> the Planning Commission may want to discuss whether ADUs should be eligible for short-term rental use, and if so, under what conditions. Allowing an owner-occupied household to rent an ADU occasionally may create a visitor lodging option without removing a full primary residence from the housing supply. By contrast, allowing non-owner-occupied ADUs or whole homes to operate year-round as STRs could reduce long-term housing availability over time.

## 2 Local Context and Policy Considerations

In addition to clarifying the current code issue, the Planning Commission may also wish to consider how short-term rentals could fit within Tenino’s local context. A preliminary review of Airbnb and VRBO listings did not appear to show active STRs located within the city. This may reflect limited visitor lodging demand, limited supply, uncertainty under the current code, or a combination of factors. Online listings also change frequently and may include properties just outside city limits, so they should not be treated as a complete inventory. However, the apparent lack of current listings suggests that Tenino may be considering this issue proactively, before STRs become widespread.

One common concern with short-term rentals is that, in some communities – particularly tourism-oriented areas or places with limited housing supply – whole-home STRs can reduce the number of homes available for long-term residents. This concern is generally greater when a dwelling is operated year-round as a short-term rental by an absentee owner, because the home may function more like visitor lodging than local housing. By contrast, lower-intensity models, such as a homeowner renting a spare room, an owner-occupied home, or possibly an ADU on the same property where the owner lives, may have fewer impacts on long-term housing supply and neighborhood stability.

For Tenino, this suggests that the Planning Commission may want to distinguish between different types of STRs rather than treating all of them the same. For example, hosted rentals or owner-occupied rentals could be allowed through a simpler process, while non-owner-occupied whole-house rentals or ADU rentals could be

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<sup>5</sup> [TMC 108.40.110.B](#), Accessory dwelling unit (ADU).

<sup>6</sup> [TMC 108.40.110.B.1](#): “The intent is that accessory dwelling units provide workforce housing.”

subject to additional standards, limits, or monitoring. This would allow the City to support small-scale visitor lodging while still keeping tools in place to address potential housing and neighborhood impacts over time.

### 3 Short-Term Rental Approaches in Other Washington Communities

Several Western Washington communities offer useful short-term rental models for Tenino to consider. While Westport, Langley, and Olympia differ in size, tourism market, and housing context, they illustrate several common approaches: clearly defining short-term rentals, requiring some form of license or permit, and setting standards to help reduce impacts on neighboring properties.

#### Westport, WA

Westport broadly allows vacation rentals in zones where single-family homes are allowed, but requires City approval and a business license before they can operate. Its code focuses on practical neighborhood issues, including occupancy, parking, trash collection, a 24/7 local contact, neighbor notification, interior guest information, insurance, annual safety inspections, permit numbers in advertisements, annual renewal, and enforcement.<sup>7</sup> This is useful for Tenino because it shows how a city can allow STRs while still addressing common concerns like parking, noise, trash, absentee ownership, and complaint response. However, Westport is more tourism-oriented than Tenino, so Tenino may not need such a detailed or costly process right away.

#### Langley, WA

Langley also uses a licensing approach, but it focuses more on limiting the number and type of short-term rentals. Langley requires a City license before a STR can be advertised or operated, limits certain STR licenses to 15 per year, limits those licenses to one per owner, and caps the number of ADUs that can be used as short-term rentals.<sup>8</sup> Its application requirements also include a 24/7 manager within a 20-minute drive, parking and floor plans, inspection or life-safety documentation, and links to online listings. This may be relevant to Tenino if the Planning Commission wants to allow short-term rentals but keep some guardrails in place, especially for ADUs or investor-owned rentals.

#### Olympia, WA

Olympia offers a helpful middle-ground example because it separates STRs into two categories: homestays, where rooms are rented in a home occupied by a permanent resident or owner, and vacation rentals, where the entire dwelling is rented and no permanent resident lives there.<sup>9</sup> Homestays are allowed without a separate short-term rental permit, while vacation rentals require a City permit and renewal every two years. Both types

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<sup>7</sup> Westport Municipal Code [Chapter 17.22](#), Vacation Rental Dwellings

<sup>8</sup> Langley Municipal Code [Chapter 5.40](#), Short-Term Rental License

<sup>9</sup> City of Olympia [Short-Term Rentals Webpage](#)

require business licenses, liability insurance, and payment of applicable taxes. Olympia also allows STRs in many housing types, including ADUs, single-family homes, duplexes, townhouses, and multifamily developments, while limiting vacation rentals to two per property owner and requiring a local contact person for vacation rentals.<sup>10</sup>

## Key Takeaways from Other Communities

The three examples summarized above provide a fairly simple framework Tenino could use as a starting point for addressing short-term rentals:

- ◆ Create a clear short-term rental use category;
- ◆ Require a license or permit;
- ◆ Set basic standards for parking, safety, trash, local contact information, and guest information; and
- ◆ Decide whether higher-impact short-term rentals (such as non-owner-occupied whole-house rentals or ADU rentals) should have additional limits.

In terms of specific takeaways from each of the example cities, Westport is most helpful for operating standards, while Langley is most helpful for caps and ADU limits. Olympia is especially helpful for distinguishing between hosted rentals and whole-unit vacation rentals.

## 4 Potential Discussion Questions

Based on Tenino's current code and the examples summarized above, the Planning Commission may wish to discuss the following questions before providing direction on a future ordinance:

- 1) **Where should short-term rentals be allowed?**  
For example, should they be allowed in all zones where residential uses are permitted, only in certain zones, or under different standards depending on the zone?
- 2) **Should the City distinguish between hosted and non-hosted short-term rentals?**  
A hosted rental, such as a room rented in an owner-occupied home, may have different neighborhood and housing impacts than a non-owner-occupied whole-house rental.
- 3) **Should ADUs be allowed to be used as short-term rentals?**  
Tenino's current ADU standards describe ADUs as workforce housing, so the Planning Commission may want to consider whether ADU short-term rentals should be allowed, limited to owner-occupied properties, capped, or prohibited.

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<sup>10</sup> Olympia Short Term Rental Regulations [Summary Sheet](#)

4) **What level of permitting is appropriate for Tenino?**

Tenino could consider a simple business license/registration approach, a separate STR permit, or a tiered approach where lower-impact rentals require less review and higher-impact rentals require more.

5) **What operating standards should be required?**

Common standards include parking, occupancy, local contact information, trash collection, quiet hours/noise compliance, life-safety requirements, guest information, and complaint response.

## 5 Preliminary Direction for Discussion

Tenino's current code does not provide a clear pathway for STRs. The code recognizes short-term rental units as distinct from conventional lodging, but does not list them as an allowed use or establish permit requirements or operating standards. As a result, a code amendment would help clarify where STRs may be allowed and how they should be reviewed and regulated.

As discussed in Section 3 above, a good starting point for Tenino may be to:

- ◆ Create a new short-term rental use category;
- ◆ Distinguish between hosted rentals and whole-unit vacation rentals;
- ◆ Require a City business license or short-term rental permit; and
- ◆ Establish basic operating standards for parking, safety, trash, local contact information, and guest information.

The Planning Commission may also wish to provide direction on whether ADUs and non-owner-occupied whole-house rentals should be subject to additional limits. Given the apparent lack of current short-term rental activity in Tenino, the City may not need to establish numerical caps immediately, but could consider monitoring permit activity over time and revisiting caps or additional limits if short-term rental activity increases.