



Legislation Text

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File #: CB 119082, Version: 3

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**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

AN ORDINANCE relating to short-term rental uses and bed and breakfast uses; amending Sections 22.214.030, 23.44.051, 23.45.545, 23.84A.024, 23.84A.030, and 23.84A.036 of the Seattle Municipal Code (SMC); and adding a new Section 23.42.060 to the SMC.

WHEREAS, housing vacancy rates are at low levels, making it increasingly difficult for people to obtain permanent housing; and

WHEREAS, removal of residential units from the long-term housing market contributes to low vacancy rates; and

WHEREAS, the conversion of long-term housing units to short-term rentals could result in the loss of housing for Seattle residents; and

WHEREAS, limiting operation of short-term rental properties to property owners will help reduce opportunities to convert long-term housing units to short-term rentals; and

WHEREAS, it is in the public interest that short-term rental uses be regulated in order to help preserve housing for long-term tenants; and

WHEREAS, the business model of short-term rental agencies depends upon participation and contact with local short-term rental operators; and

WHEREAS, the standards for the operation of short-term rental uses contained in this ordinance help to preserve the availability of housing for long-term rentals by limiting the number of short-term rentals a person can operate, reduce negative effects on affordable housing, and protect the safety and livability of residential neighborhoods; and

WHEREAS, the City Council finds that this ordinance is necessary to protect and promote the health, safety, and welfare of the general public; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Section 22.214.030 of the Seattle Municipal Code, last amended by Ordinance 124312, is amended as follows:

**22.214.030 Applicability**

A. The registration provisions of this Chapter 22.214 shall apply to all rental housing units with the exception of:

1. Housing units lawfully used as ~~((vacation rentals for periods not to exceed three consecutive months and not consecutively used by the same individual or individuals for more than three months in any twelve-month period))~~ short-term rentals, if the housing unit is the primary residence of the short-term rental operator as defined in Section 23.84A.030;

2. Housing units rented for not more than 12 consecutive months as a result of the property owner, who previously occupied the unit as a primary residence, taking a work-related leave of absence or assignment such as an academic sabbatical or temporary transfer;

3. Housing units that are a unit unavailable for rent;

4. Housing units in hotels, motels, inns, bed and breakfasts, or ~~((in))~~ similar accommodations that provide lodging for transient guests, but not including short-term rentals as defined in Section 23.84A.024 unless the short-term rental qualifies for an exemption under subsection 23.214.030.A.1;

5. Housing units in facilities licensed or required to be licensed under ~~((RCW))~~ chapter 18.20, ((RCW)) 70.128, or ((RCW)) 72.36 RCW, or subject to another exemption under this Chapter 22.214;

6. Housing units in any state licensed hospital, hospice, community-care facility, intermediate-care facility, or nursing home;

7. Housing units in any convent, monastery, or other facility occupied exclusively by

members of a religious order or congregation;

8. Emergency or temporary ((-)) shelter or transitional housing accommodations;

9. Housing units owned, operated, or managed by a major educational or medical institution or by a third party for the institution; and

10. Housing units that a government entity or housing authority owns, operates, or manages; or units exempted from municipal regulation by federal, state, or local law.

\* \* \*

Section 2. A new Section 23.42.060 is added to the Seattle Municipal Code as follows:

### **23.42.060 Short-term rentals**

Short-term rental uses are subject to the following provisions:

A. Short-term rental uses are permitted in any structure established as a dwelling unit unless (1) the proposed use is in a dwelling unit established as a caretaker's quarters, or (2) the proposed use is over water or otherwise prohibited by the shoreline regulations contained in Chapter 23.60A.

B. A short-term rental use may be located in a dwelling unit or an accessory dwelling unit.

C. Business license

1. All operators of short-term rental uses shall have a valid business license tax certificate issued by the Department of Finance and Administrative Services.

2. All operators of short-term rental uses shall have a valid short-term rental operator's license issued by the Department of Finance and Administrative Services.

D. Number of residents and guests. The total number of residents and guests occupying a dwelling unit that includes a short-term rental may not exceed the maximum number of residents allowed in a household by this code. For sites with an accessory dwelling unit, the total number of residents and guests occupying both the dwelling unit and any accessory dwelling units may not exceed the number of residents allowed for a household.

E. Short-term rental uses may display signs identifying the use if the signs are permitted by Chapter 23.55.

F. If a short-term rental operator provides breakfast, light snacks, or both to guests, the facility and operator must meet applicable health and safety regulations including but not limited to regulations of Public Health-Seattle & King County and the Washington State Department of Health.

G. Notwithstanding Sections 23.42.100, 23.42.102, and 23.42.104, short-term rental uses, as defined in Section 23.84A.024, in existence prior to the effective date of the Ordinance introduced as Council Bill 119082 shall comply with the requirements of this Chapter 23.42 no later than one year from the effective date of the Ordinance introduced as Council Bill 119082.

Section 3. Section 23.44.051 of the Seattle Municipal Code, last amended by Ordinance 124919, is amended as follows:

#### **23.44.051 Bed and breakfasts**

A bed and breakfast use is permitted if it meets the following standards:

A. General provisions

1. The bed and breakfast use shall have a valid business license tax certificate issued by the Department of Finance and Administrative Services;

2. All operators of bed and breakfast uses who use a short-term rental platform for listing the bed and breakfast shall have a valid short-term rental operator's license issued by the Department of Finance and Administrative Services.

~~((2-))~~ 3. The bed and breakfast use shall be operated by ~~((an owner who owns at least a 50 percent interest in the dwelling in which the bed and breakfast is located))~~ the primary resident of the dwelling unit where the bed and breakfast is located or the resident operator;

~~((3- An owner who owns at least a 50 percent interest in the dwelling shall reside in the structure in which the bed and breakfast use is located during any period in which rooms are rented to guests;~~

~~4. No more than two people who reside outside the dwelling unit shall be employed, with or without compensation, in the operation of the bed and breakfast use;~~

~~5. The bed and breakfast use shall be operated within the principal structure, which shall be at least five years old;~~

~~6.))~~ 4. There shall be no evidence of the bed and breakfast use visible from the exterior of the dwelling unit except for a sign permitted by subsection 23.55.020.D.1;

~~((7.))~~ 5. The bed and breakfast use shall have no more than five guest rooms, provided that this limitation does not apply to bed and breakfast uses that were established on or before April 1, 1987; and

6. A bed and breakfast use may be located in a dwelling unit or an accessory dwelling unit.

~~((8. Parking shall be provided as required in Chapter 23.54.))~~

B. Alterations to single-family structures. Interior and exterior alterations consistent with the development standards of the underlying zone are permitted.

~~((C. Dispersion. Any lot line of property containing any proposed new bed and breakfast use must be located 600 feet or more from any lot line of any other bed and breakfast use.~~

~~D. Neighborhood mitigation provisions~~

~~1. The owner will make public transit information available to patrons, and the owner's operating plan must describe how the transit information will be made available to patrons.~~

~~2. The design of the structure in which the use is located and the orientation of the access will minimize impacts, such as noise, light and parking, to neighboring structures.~~

~~3. The owner's operating plan includes quiet hours, limits on programmed on-site outdoor activities, and parking policies to minimize impacts on residential neighbors.~~

~~4. The delivery of goods and services associated with the bed and breakfast use are accommodated at a time and in a manner that will limit, to the extent feasible, impacts on surrounding~~

properties.

5. ~~The operating plan shall be distributed to all residents and property owners within 300 feet of the proposed bed and breakfast use. The distributed plan shall reference this Section 23.44.051 and provide contact information for the Seattle Department of Construction and Inspections' Review and Inspection Center and contact information for the operator of the bed and breakfast. Applicants for a permit to establish a bed and breakfast use shall provide proof to the Seattle Department of Construction and Inspections that they made a good faith effort to provide the required distribution prior to issuance of a permit establishing the use.))~~

\* \* \*

Section 4. Subsection 23.45.545.G of the Seattle Municipal Code, which section was last amended by Ordinance 124378, is amended as follows:

**23.45.545 Standards for certain accessory uses**

\* \* \*

G. Bed and breakfast uses. A bed and breakfast use may be operated under the following conditions:

1. The bed and breakfast use has a valid business license tax certificate issued by the Department of Finance and Administrative Services;
- ~~((2. The operation of a bed and breakfast use is conducted within a single dwelling unit;))~~
2. All operators of bed and breakfast uses who use a short-term rental platform for listing the bed and breakfast shall have a valid short-term rental operator's license issued by the Department of Finance and Administrative Services.
- ~~((3. The bed and breakfast use is operated within the principal structure and not in an accessory structure;))~~
3. The bed and breakfast use shall be operated by the primary resident of the dwelling unit where the bed and breakfast is located or the resident operator;

~~((4. There shall be no evidence of a bed and breakfast use visible from the exterior of the ((structure)) dwelling unit other than a sign permitted by subsection 23.55.022.D.1; ((, so as to preserve the residential appearance of the structure;)) and~~

~~((5. No more than two people who are not residents of the dwelling may be employed in the operation of a bed and breakfast, whether or not compensated; and))~~

5. A bed and breakfast use may be located in a dwelling unit or an accessory dwelling unit.

~~((6. Parking is required pursuant to Chapter 23.54. Interior and exterior alterations consistent with the development standards of the underlying zone are permitted.))~~

Section 5. Section 23.84A.024 of the Seattle Municipal Code, last amended by Ordinance 125272, is amended as follows:

**23.84A.024 “L”**

\* \* \*

“Lodging use” means a commercial use in which the primary activity is the provision of rooms to transients. Lodging uses include but are not limited to the following uses:

1. “Bed and breakfast” means a lodging use ((~~5~~)) where rooms within a single dwelling unit are provided to transients by a resident operator for a fee by prearrangement on a daily or short-term basis. A breakfast and/or light snacks may be served to those renting rooms in the bed and breakfast.

2. “Hotel” means a lodging use ((~~5~~)) located in a structure in which access to individual units is predominantly by means of common interior hallways, and in which a majority of the rooms are provided to transients for a fee on a daily or short-term basis.

3. “Motel” means a lodging use ((~~5~~)) located in a structure in which access to individual units is predominantly by means of common exterior corridors, and in which a majority of the rooms are provided to transients on a daily or short-term basis, and in which off-street parking is provided on the lot.

4. “Short-term rental” means a lodging use that is not a bed and breakfast, hotel, or motel,

in which a dwelling unit, or portion thereof, is offered or provided to a guest(s) by a short-term rental operator for a fee for fewer than 30 consecutive nights. A dwelling unit, or portion thereof, that is used by the same person for 30 or more consecutive nights is not a short-term rental. 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, and/or is classified by the Internal Revenue Service as a public charity or private foundation, and provides temporary housing to individuals who are being treated for trauma, injury, or disease, and/or their family members, is not a short-term rental.

\* \* \*

Section 6. Section 23.84A.030 of the Seattle Municipal Code, last amended by Ordinance 124378, is amended as follows:

**23.84A.030 “P”**

\* \* \*

“Preliminary plat” means a neat and approximate drawing of a proposed subdivision showing the general layout of streets and alleys, lots, blocks, and other elements of a subdivision, that is submitted to furnish a basis for the approval or disapproval of the general layout of a subdivision.

“Primary residence” means a person’s usual place of return for housing as documented by motor vehicle registration, driver’s license, voter registration, or other similar evidence. A person may have only one primary residence.

“Principal structure” means the structure housing one or more principal uses as distinguished from any separate structures housing accessory uses.

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Section 7. Section 23.84A.036 of the Seattle Municipal Code, last amended by Ordinance 125272, is amended as follows:

**23.84A.036 “S”**



\* \* \*

“Short subdivision” means the division or redivision of land into nine ((9)) or fewer lots, tracts, parcels, sites, or divisions for the purpose of sale, lease, development, or financing.

“Short-term rental.” See “Lodging use.”

“Short-term rental operator” or “operator” means any person who is the owner of a dwelling unit established under Title 23, or portion thereof, who offers or provides that dwelling unit, or portion thereof, for short-term rental use or a person who is the tenant of a dwelling unit, or portion thereof, who offered or provided a short term rental as set forth in subsection 6.600.040.B.1.

“Short-term rental platform” or “platform” means a person that provides a means through which an operator may offer a dwelling unit, or portion thereof, for short-term rental use and from which the person or entity financially benefits. Merely publishing a short-term rental advertisement for accommodations does not make the publisher a short-term rental platform.

“Shoulder” means the graded area between the roadway edge and the sidewalk, or slope line where there is no sidewalk, on the portion of a street where there are no curbs.

\* \* \*

Section 8. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

Section 9. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2017, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)