



Executive Summary

Issue Description: Short Term Rental Policy Development and Public Outreach

Meeting Date: November 5, 2018

Attendees: Eric Baker and Jennifer Cannon

Action Requested at This Meeting: Review outreach plan and policy considerations for developing short term rental policies and provide input to staff.

Background

Providing an alternative to traditional transient accommodations, short term (vacation) rentals are dwelling units such as furnished condominiums, accessory dwelling units, or single-family homes rented out temporarily for less than 30 days. The short term rental (STR) movement started out as a form of the “sharing economy” where primary occupants occasionally share part of their home for a short duration and then broadened to remotely located hosts renting out entire homes frequently throughout the year. STRs have become a popular form of vacation lodging as demonstrated by its national growth into a \$32 billion profitable industry.¹ The ease for hosts to list places using conveniently available online tools offered by a variety of companies also contributes to the upsurge in STRs.¹ STR growth has spread to Kitsap County with current estimates showing 295 STR listings (Attachment A) and Airbnb (a STR listing company) tax revenues climbing to become the third highest in 2017.²

STR growth has led to regulatory pressure and if left unchecked, can result in impacts to the surrounding communities and residents. Common impacts are associated with noise, garbage, shoreline, parking, and building safety impacts; short-term renters not being respectful to neighbors; displacement of long-term tenants and reduced affordable housing supplies; changes in neighborhood character; liability and broader safety concerns; and failure to comply with tax requirements which can result in unfair competition for bed-and-breakfasts and other types of lodging.² In contrast, home-sharing can be a helpful source of income for residents trying to make

¹ Host Compliance Presentations (2017, 2018) based on data from Airbnb, Expedia, TripAdvisor, Booking.com.

² In Kitsap County, tourist lodging is required to pay a lodging tax rate of two percent to fulfill [Washington State Department of Revenue tax requirements](#) and an additional two percent to fulfill special excise tax requirements for Kitsap County. The tourist lodging tax revenue generated from Airbnb listings nearly doubled from 2016 to 2017 in Kitsap County.

ends meet, supplement inadequate supplies of vacation lodging, and provide lodging amenities (e.g. yard, full kitchen) missing from other tourist lodging options.

Although Kitsap County has STR Code in place, the Board of County Commissioners (BOCC) found the Code overly broad sweeping, unfeasible, and burdensome. As a result, the BOCC deferred enforcement except for health/safety related issues and the BOCC expects updates to be made soon. Consequently, the timing is ripe for Kitsap County to establish evenhanded regulations, efficient enforcement strategies, and monitoring and performance evaluation systems that would be effective at alleviating various community impacts.

Outreach Strategy Options

The public outreach for developing STR regulations should include opportunities for involvement and education at various intervals in the planning process. Different communication channels appealing to different people and various ways for providing input should be conveniently available, the process should be communicated clearly and consistently, project information should be centralized in one location as much as possible (e.g. project webpage), and received input should be tracked and reported. The goal for this outreach is to be highly accessible, informative to policy development and enforcement, and broadly inclusive in garnering input from different stakeholders.

Enforcement of STR regulations is commonly troublesome since platforms tend to impede regulatory compliance by not sharing information and listings are scattered across over 100 websites, listed redundantly, subject to continual changes, and lack details such as addresses.

Outreach activities to consider are

- Online surveys
- Stakeholder interviews
- Open houses
- Email listservs and press releases
- Community conversations possibly hosted at existing meetings.

An important step for outreach is to identify stakeholders interested in STR regulations; consequently, below is a list of the known stakeholders.

Possible Stakeholders

- Kitsap Community Advisory Councils (Central Kitsap, Manchester, Kingston, and Suquamish) and Committees: Kitsap County Lodging Tax Advisory Committee, Kitsap County Developers Advisory Group, the Kitsap Economic Development Alliance – KEDA
- Chambers: Silverdale Chamber of Commerce (Government Affairs Committee), Poulsbo Chamber of Commerce, Port Orchard Chamber of Commerce.
- Realtor/Landlord Groups: Kitsap Association of Realtors, Puget Rental Owners Association

- Builders: Kitsap Building Association - KBA
- Housing Groups: Housing Kitsap staff
- Community Groups: Rotary Club of Port Orchard and Rotary Club of Poulsbo-North Kitsap

The above list of stakeholders to involve could be expanded to include STR hosts if Kitsap County were to acquire additional data.

Key Questions:

- What outreach techniques would be most helpful for ordinance development? What other stakeholders should be included?
- What are the best practices? What are policy tips, regional stakeholder concerns, and lessons learned from other local jurisdictions (e.g. Port Townsend, San Juan County)?
- What are the goals for future STR policies? Exemptions? What existing procedures and permitting processes could be adjusted to accommodate STRs?
- What are the best routes for building education and knowledge on this topic?
- How can the challenges of enforcement be addressed most efficiently and effectively? How can we make enforcement more feasible to deter violations?

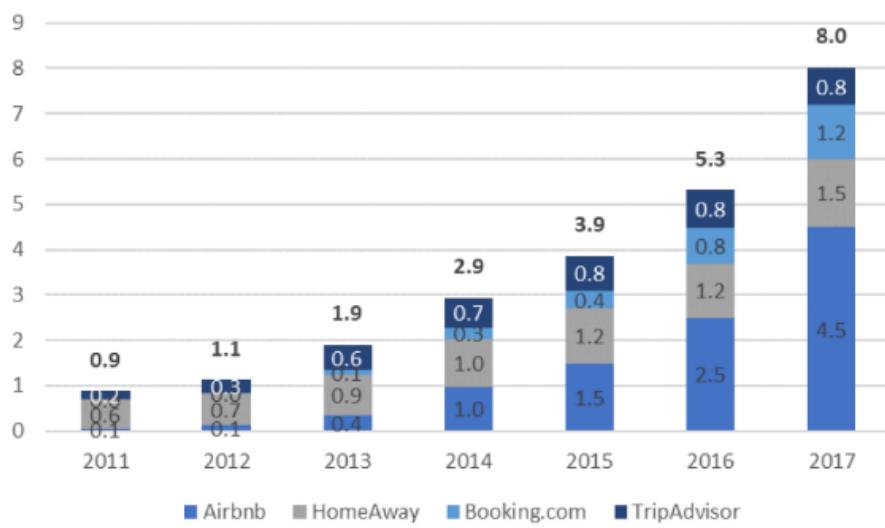
Attachment A

Key Presentation Information from a Host Compliance Presentation Entitled “Cost-Effective Solutions to Kitsap County’s Short-Term Rental Monitoring and Compliance Problems”

Market Context: AirBnb, VRBO and 100's of other vacation rental websites have turned vacation rentals into a booming (underground) economy...

The short-term rental market has grown 800% since 2011

Millions of STR listings

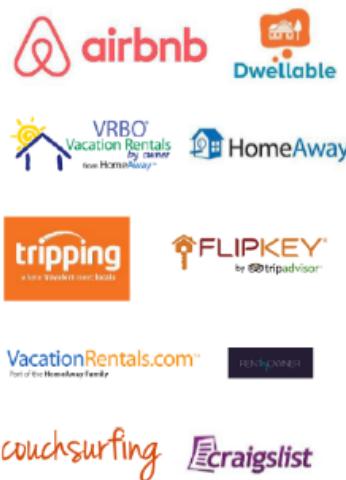


Sources: AirBnB, Expedia, TripAdvisor and Booking.com



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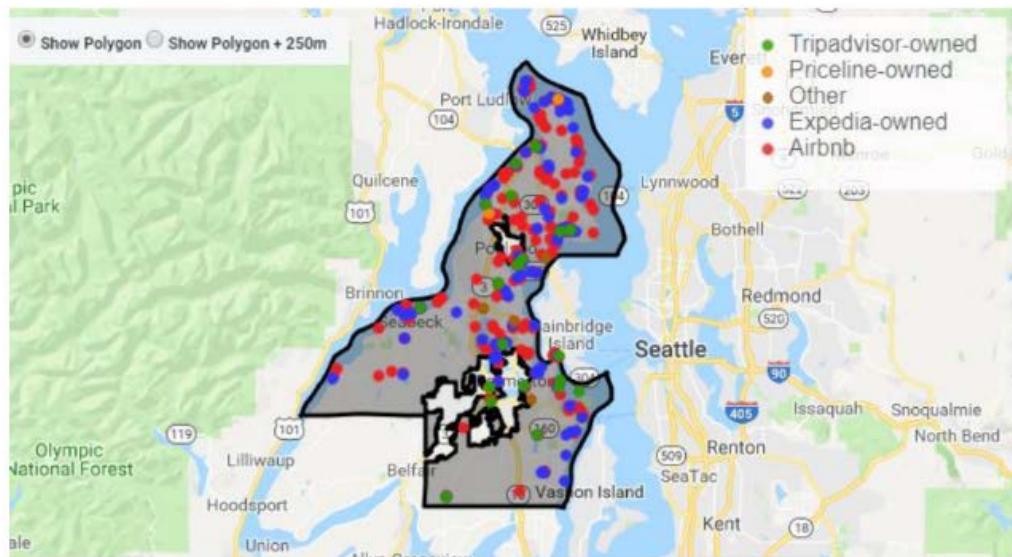
Market is fragmenting



100+ other web platforms

...and in the unincorporated areas of Kitsap County we have identified 332 listings, representing 295 unique rental units*

Short-term rentals in the unincorporated areas of Kitsap County as of September, 2018



Sources: Host Compliance proprietary data

* Host Compliance's pricing is based on the count of listings and rental units that would need to be analyzed and monitored for compliance. In terms of listings, this number is 353 as we will expand our search area by several hundred yards beyond the borders of the unincorporated areas of Kitsap County to capture all relevant listings.



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Pricing tailored to Kitsap County's Needs (Unincorporated Areas)



Address Identification

\$9,531 /yr

Host Compliance: Above pricing assumes 353 short-term rental listings and based in USD. Host Compliance would be happy to discuss alternative SOWs, contract terms, contract durations and pricing structures if that would be of interest. Host Compliance has a 6-month unconditional money back guarantee.