



## Memorandum

**Date:** 9/2/2025

**Meeting of:** Committee of the Whole - Planning and Public Works

**File No.** CM 25-475

**Type:** Committee Memo

**TO:** Committee of the Whole - Planning and Public Works

**FROM:** Mayor Angela Birney

**DEPARTMENT DIRECTOR CONTACT(S):**

Planning and Community Development	Carol Helland	425-556-2107
Finance	Kelley Cochran	425-556-2748

**DEPARTMENT STAFF:**

Planning and Community Development	Seraphie Allen	Deputy Director
Planning and Community Development	Philly Marsh	Economic Development Manager
Planning and Community Development	Kimberly Dietz	Principal Planner
Finance	Denise Shinoda	Business Licensing Program Coordinator

**TITLE:**

Short-Term Rental Code Update

**OVERVIEW STATEMENT:**

The Short-Term Rental Code Update project involves a cross-departmental team, including Planning and Community Development and Finance, for proposed updates to Short Term Rental Code and standard operating procedures.

RMC 5.04.130 identifies a threshold of five rental units, including both short-term and long-term rentals, for warranting a business license. However, short-term and long-term rentals are not defined within the chapter. Cities and counties are also authorized to implement chapter 64.37 RCW: Short-Term Rentals concerning violations of section 64.37.030 Consumer Safety. This requirement is not referenced, and its implementation is not defined by RMC 5.04 General Business Regulations.

Staff recommends amendments to RMC 5.04 General Business Regulations to provide the following:

- Establishing clarity and consistency with chapter 64.37 RCW: Short-Term Rentals regarding the definition of short-term rentals;
- Requiring Redmond business licensing for short-term rentals;
- Ensuring implementation of consumer safety, transparency, and communication protocols in accordance with section 64.37.030 RCW: Consumer Safety; and
- Developing operational standards for ongoing engagement with online platforms and with owners and operators of short-term rentals.

The report and amendments are provided as Attachment A.

☒ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☐ Receive Information      ☒ Provide Direction      ☐ Approve

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
Comprehensive Plan; Housing Action Plan; Economic Development Strategic Plan; Tourism Strategic Plan
- **Required:**  
Reference to Chapter 64.37 RCW Short-Term Rentals
- **Council Request:**  
City Councilmembers identified the following at their June 3, 2025, Committee of the Whole - Planning and Public Works:
  - Impacts on and protection for housing affordability
  - Definition of STR
  - Describe rental periods, listing for only short periods versus longer-term listings
  - Aggressiveness to mitigate upper levels of housing
  - Enforcement when not licensed and staff capacity
  - Developers are promoting STRs
  - Communicate with owners/operators
  - Inspection for quality, good neighborliness, safety, communication
  - Staff capacity for licensing
  - HOAs status such as changing rules to allow or disallow STRs
  - Neighboring cities such as Vancouver B.C.
- **Other Key Facts:**  
N/A

**OUTCOMES:**

This project anticipates improving code consistency, establishing awareness of current conditions, developing relationships with owners and managers of short-term rental properties, and confirming operational standards for existing and preparing for additional short-term rental properties in advance of the 2026 World Cup.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
A communication plan had been developed for this project and includes:
  - May through August - involvement with stakeholders, the community, and political action committee(s)
  - July - Lodging and Tax Advisory Committee meeting. Meeting minutes including discussion of Short-Term Rental updates are provided as Attachment B.
  - January 2026 - Implementation and involvement with stakeholders, the community, and political action committee(s)

- **Outreach Methods and Results:**

Interviews, webpage, questionnaire, focus groups, office hours, individual email, and phone conversations resulting in the following:

- 39 attendees to in-person, online, and direct outreach events;
- 95 social media “likes” and click-throughs to project information; and
- Awareness for 10,511 people via the project webpage, Let’s Connect webpage, and social media posts.

- **Feedback Summary:**

- Let’s Connect questionnaire, promoted by Citywide; Plans, Policies, and Regulations; and Economic Development newsletters and social media channels. The Let’s Connect questionnaire report is provided as Attachment C.
- 1 Two office-hours through which the community could discuss the project with staff and view preliminary concepts for code amendments.
- 2 One in-person community meeting during which staff presented draft amendments for group discussion. Discussion notes from this meeting are provided as Attachment D.
- 3 Short-Term Rental webpage
- 4 Interviews of short-term rental online platform providers.

**BUDGET IMPACT:**

**Total Cost:**

This project is led by internal staff in alignment with individual workplans.

Approved in current biennial budget: ☒ Yes ☐ No ☐ N/A

**Budget Offer Number:**

0000304 - Community and Economic Development

**Budget Priority:**

Vibrant and Connected

Other budget impacts or additional costs: ☒ Yes ☐ No ☐ N/A

***If yes, explain:***

Short-term rentals comprised six percent, \$43,896, of the lodging excise tax to the City in 2024. The following shows the receipts to the City during a two-year period:

Accommodation Type	2023		2024	
Hotel	\$544,851	93%	\$667,539	94%
Short-Term	\$39,680	7%	\$43,896	6%
Total	\$584,531	100%	\$711,435	100%

Increases to short-term rental supply and tourism related to the 2026 World Cup are anticipated to increase the lodging excise tax resulting from the local portion of region-wide accommodations.

**Funding source(s):**

Business Tax Fund (60%) General Fund (40%)

**Budget/Funding Constraints:**  
N/A

☐ **Additional budget details attached**

**COUNCIL REVIEW:**

**Previous Contact(s)**

Date	Meeting	Requested Action
6/3/2025	Committee of the Whole - Planning and Public Works	Receive Information

**Proposed Upcoming Contact(s)**

Date	Meeting	Requested Action
10/28/2025	Study Session If needed	Provide Direction
12/2/2025	Business Meeting	Approve

**Time Constraints:**

Staff requests City Council's action on amendments to the Redmond Municipal Code by the end of 2025 for effectiveness of regulations and operation procedures in advance of property leasing associated with the 2026 World Cup.

**ANTICIPATED RESULT IF NOT APPROVED:**

The region anticipates an increase in the inventory of short-term rental properties associated with the 2026 World Cup. The project proposal would provide increased awareness and transparency as well as communication and consumer safety tools if adopted. These actions and tools as well as business license revenue would be impacted if the City Council chooses to deny this proposal.

**ATTACHMENTS:**

Attachment A. Staff Recommendation for Short Term Rental Code Update  
    A.1 Recommended Amendments to RMC Chapter 5.04 General Business Regulations  
    A.2 Short-Term Rental Guide  
Attachment B. Lodging Tax Advisory Committee, July 9, 2025 Meeting Minutes  
Attachment C. Let's Connect Short-Term Rental Questionnaire Report  
Attachment D. Community Meeting Discussion Notes