

ORDINANCE NO. 2025-1646

**AN ORDINANCE OF THE CITY OF CHELAN,
WASHINGTON, AMENDING PORTIONS OF THE
MUNICIPAL CODE RELATED TO ACCESSORY
DWELLING UNITS AND CO-LIVING HOUSING
UNITS.**

WHEREAS, the City of Chelan (City) desires to update specific standards for the review and approval of accessory dwelling units and co-living housing units; and

WHEREAS, the City is subject to the Growth Management Act, chapter 36.70A of the Revised Code of Washington (RCW); and

WHEREAS, in 2023, the state legislature adopted Engrossed House Bill 1337, requiring cities to allow at least two accessory dwelling units on all lots that are located in all zoning districts within an urban growth area that allow for single-family homes; and

WHEREAS, in 2024, the state legislature adopted Engrossed Substitute House Bill 1998, requiring cities to allow co-living housing as a permitted use on any lot that allows at least six multifamily residential units; and

WHEREAS, the intent of both legislative acts is to increase housing options and housing affordability, particularly in urban areas; and

WHEREAS, these amendments to the Chelan Municipal Code (CMC) will affect zoning provisions in Title 17 and associated definitions in Title 19; and

WHEREAS, amendments to the CMC are necessary to ensure the City's regulations comply with chapter 36.70A RCW; and

WHEREAS, these code amendments are consistent with the Growth Management Act, county-wide planning policies, and the City's comprehensive plan; and

WHEREAS, these amendments are subject to State Environmental Policy Act Review. City staff prepared a SEPA checklist, and a Determination of Nonsignificance ("DNS") was issued on October 1, 2025, with the comment period concluding on October 15, 2025; and

WHEREAS, any action taken by the City to comply with the requirements of RCW 36.70A.535, RCW 36.70A.680 or RCW 36.70A.681 is not subject to legal challenge under the Growth Management Act or under the State Environmental Policy Act; and

WHEREAS, the Chelan Municipal Code states that amendments to development

regulations are legislative decisions, and that the Planning Commission is responsible for holding public hearings on matters related to the comprehensive plan and its implementation, including zoning regulations; and

WHEREAS, a notice was published in the Lake Chelan Mirror newspaper on October 1, 2025, announcing a public hearing for the Planning Commission on October 15, 2025, to consider the code amendments and provide a recommendation to the City Council; and

WHEREAS, on October 3, 2025, the proposed Chelan Municipal Code amendments were forwarded to the Washington State Department of Commerce. A request for an expedited review was made, and granted on October 22, 2025; and

WHEREAS, the City of Chelan Planning Commission conducted a public hearing on October 15, 2025 to consider the proposed amendments; and

WHEREAS, following deliberation, the Planning Commission voted to recommend approval of the amendments to the City Council; and

WHEREAS, a notice for a City Council public hearing was published in the Lake Chelan Mirror on October 1, 2025, announcing a hearing for October 28, 2025, to gather public testimony on the proposed changes; and

WHEREAS, the City Council conducted a public hearing on October 28, 2025; and

WHEREAS, the City Council has considered all public input and finds that the amendments strike a balance between the needs of the community and the requirements of state law.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing Recitals are incorporated into this Ordinance.

Section 2. Code Amendments. The City's chapter 13.33, "Family Accessory Dwelling Unit Rate Reduction" in its entirety shall be repealed.

Section 3. Code Amendments. The City's zoning code (Title 17) and the administration of development regulations (Title 19) are amended as set forth in **Exhibit A**.


Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase or word of this ordinance.

Section 5. Corrections by City Clerk. Upon approval of the City Attorney, the City Clerk is authorized to make necessary technical corrections to this ordinance, including the correction of clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or section/subsection numbering.

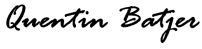
Section 6. Effective Date. Upon passage, this Ordinance shall be published in the official newspaper of the City and shall take effect and be in full force thirty (30) days after publication.

ADOPTED by the City Council of the City of Chelan, Washington, at a regular meeting thereof this 12th day of November, 2025.


APPROVED:

By:  Signed by:
Erin McCardle, Mayor
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APPROVED AS TO FORM:

By:  DocuSigned by:
Quentin Batjer, City Attorney
81117458FB30471...

AUTHENTICATED:

By:  DocuSigned by:
Peri Gallucci, Clerk
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FILED WITH THE CITY CLERK: NOVEMBER 6, 2025
PASSED BY THE CITY COUNCIL: NOVEMBER 12, 2025
PUBLISHED: NOVEMBER 19, 2025
EFFECTIVE DATE: DECEMBER 19, 2025
ORDINANCE NO.: 2025-1646

17.04.210 – Accessory Dwelling Units (ADUs)

- A. Detached, attached, and interior Accessory Dwelling Units (ADUs) shall be permitted within all zoning districts that permit single-family residences.
- B. Two ADUs are permitted on a lot in addition to the primary dwelling unit. ADUs are exempt from the density requirements of the underlying zone.
- C. ADUs shall meet the maximum building height, maximum land coverage, and minimum setback standards of the zoning district for the property with the following exceptions:
 - a. Detached ADUs may be built up to the rear yard property line that abuts a public alley.
 - b. All structures, including primary units and ADUs shall maintain a minimum separation distance from any other structure on the lot as required by the applicable fire and building codes. This standard applies to the separation between a primary unit and an ADU, as well as the separation between two ADUs.
 - c. ADU's may be converted from existing legal non-conforming structures, including but not limited to detached garages, even if they violate current code requirements for setbacks or lot coverage;
- D. Maximum unit size: 1,200 square feet.
- E. Required off-street parking spaces per ADU shall be provided consistent with the primary dwelling unit. For example, if the primary dwelling requires one off-street parking space, each ADU shall be required to have one off- street parking space.
- F. Owner occupancy shall not be required for the primary dwelling or any ADU. ADUs may be used for long-term rental purposes but shall not be used for short-term rentals.
- G. Through unit lot subdivision, ADUs can be created on and sold as separate unit lots, provided the overall development on the parent lot meets zoning standards.

17.04.220 - Co-Living Housing

- A. The purpose of this chapter is to regulate co-living housing in compliance with RCW 36.70A.535, promoting diverse and affordable housing options while ensuring compatibility with surrounding uses and avoiding conflicts with existing regulations for boarding houses, bed and breakfasts, short-term rentals, and emergency/transitional housing.
- B. Co-living housing is permitted on any lot within an urban growth area zoned to allow at least six multifamily residential units, including mixed-use developments. Co-living housing shall not be subject to standards more restrictive than those applied to other multifamily residential uses in the same zone.
- C. Development Standards.
 - a. Co-living housing units shall be rented to individual persons or households for periods of 30 days or more.
 - b. Room sizes, dwelling unit sizes, sleeping unit sizes, room areas, and habitable spaces shall not exceed requirements of the state building code. No mix of unit sizes or bedrooms is required.
 - c. For purposes of calculating dwelling unit density, each sleeping unit in co-living housing shall be treated as no more than one-quarter (1/4) of a dwelling unit. Maximum density shall otherwise conform to the underlying zone.
 - d. Off-street parking shall not exceed 0.25 spaces per sleeping unit.

19.10.040 - Definitions

Accessory dwelling unit (*ADU*) means a secondary dwelling unit on the same lot as a primary residential unit, providing complete independent living facilities including provisions for living, sleeping, eating, cooking, and sanitation. ADUs may be attached (within or connected to the primary unit) or detached (in a separate building on the same property).

Co-living housing means a residential development with sleeping units that are independently rented and lockable and provide living and sleeping space, where residents share kitchen facilities with other sleeping units in the building. This term may include, but is not limited to, congregate living facilities, single room occupancy units, rooming houses, boarding houses, lodging houses, and residential suites. Co-living housing does not include hotels, motels, bed and breakfasts, short-term rentals, or emergency/transitional housing as defined elsewhere in this title.

Sleeping unit means a room or space within co-living housing that is rented independently and provides living and sleeping facilities but may share bathrooms, kitchens, or both with other units.

17.14.050 - Housing type standards (*Downtown Land Use and Development Code*)

D. Accessory dwelling units (*ADU*). See 17.04.210.

17.20.020 - Accessory uses (*R-L – Single Family Residential District*)

2. Accessory dwelling units See 17.04.210.

B. Other detached accessory buildings collectively shall be 25 percent of the floor area of the principal structure, excluding the basement area, not to exceed 600 square feet; provided, that regardless of size of the principal structure, other detached accessory buildings collectively may be at least 300 square feet. The total number of detached accessory structures, including garages, workshops or the like, may not exceed three.

17.24.020 - Accessory uses. (*R-M – Multi-family Residential District*)

B. Accessory dwelling units (*ADUs*). See 17.04.210.

C. Attached or freestanding private garages, carports, shall not exceed 50 percent of the floor area of the principal structure, including basement area; provided, that all primary single-family residences, regardless of size, shall be allowed a minimum size private garage or carport of 960 square feet. A garage larger than the standards set out herein shall be allowed as a conditional use under the conditions set forth under section 17.24.030. Detached garages, carports, or *ADUs* must be no closer to the front property line than the principal structure on a lot. Accessory uses other than private garages and carports for multi-family dwellings shall be restricted to 100 square feet per dwelling unit;

17.46.030 - Conditional uses. (*SUD - Special Use District*)

Conditional uses are as follows:

A. Places of public or private assembly;

B. Home occupations not meeting the permitted use criteria set forth in

section 17.20.010(F) under conditions set forth in section 17.56.060;

C. Parks;

D. Community waterfront parks or recreational facilities;

E. Reserved. (Repealed by Ord. 1556);

F.

G. High intensity agricultural tourism uses, subject to standards in chapter 17.47;

H. Campground or recreational vehicle parks;

I. Parks and playgrounds, including park buildings; and

J. Agriculturally based short-term rentals.

17.48.020 - Accessory uses. (*T-A – Tourist Accommodations District*)

Accessory uses are as follows:

C. Accessory dwelling units (ADUs). See 17.04.210.