



# Town of Coupeville

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**TOWN OF COUPEVILLE  
PLANNING COMMISSION MEETING  
AGENDA  
Island County Commissioners' Hearing Room  
December 4, 2018  
6:00 pm**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**CHANGES AND APPROVAL OF AGENDA**

**APPROVAL OF MINUTES**

Approve minutes from November 6, 2018, regular meeting

**DISCUSSION ITEMS**

1. Transient Accommodation (Vacation Rental) code amendments
2. Comprehensive Plan update - Housing Element

**NEW BUSINESS**

**AUDIENCE INPUT - See NOTE**

**ADJOURNMENT**

**NOTE: Audience Input - This is time set aside for members of the public to speak to the Commission about subjects of concern or interest, or items not already set aside for a public hearing. Questions presented may not be answered immediately if all information is not available, but will be responded to as soon as possible. To ensure your comments are recorded properly, you need to state your name and address clearly into the microphone. Please limit your comments to five minutes. Input requiring more lengthy comment is best submitted in writing.**

**TOWN OF COUPEVILLE  
PLANNING COMMISSION MEETING  
Island County Commissioners' Hearing Room  
November 6, 2018  
6:03 PM**

**PRESENT**

Chair Carol Moliter, Commissioners Michelle Cook, Ricardo Reyes, and Julie Roth

**STAFF PRESENT**

Planning Director Owen Dennison, Clerk Treasurer Kelly Beech, and Recording Secretary Claudia Golden

**CHANGES AND APPROVAL OF AGENDA**

The agenda was amended to add an Audience Input opportunity prior to the Discussion Item, due to election. Motion by Commissioner Roth, second by Commissioner Cook. The motion passed unanimously.

A motion to excuse Commissioner Warford from meeting was made by Commissioner Roth, second by Commissioner Cook. The motion passed unanimously.

**APPROVAL OF MINUTES**

A motion to approve the minutes from the September 4, 2018, regular meeting was made by Commissioner Cook, second: Commissioner Roth. The motion passed unanimously.

**AUDIENCE INPUT**

Chair Moliter opened floor to public comment.

Mr. Kevin Greggs, proprietor of the Whispering Bamboo Bed and Breakfast, 1808 Parker Road NE, Coupeville, addressed the Commission.

Mr. Greggs inquired as to any future public comment meetings with regard to this discussion item, as many interested are absent due to the short notice. He asked whether staff's presentation would summarize the information in the staff report and requested confirmation that the codes from other jurisdictions attached to the staff report were not necessarily what staff was proposing for amendments to the Town Code.

Planner Dennison stated that this being the first discussion on the matter, there would be future opportunities for public comment before the Planning Commission and Town Council, including at least one public hearing. Written comments would be made part of the public record and would be provided to both bodies. He confirmed that the staff presentation would address the material in the staff report. He also noted that the current discussion was intended only to outline the issues and no regulatory amendments were proposed. The examples from other jurisdictions were provided to the Planning Commission for its information.

**DISCUSSION ITEM**

Transient Accommodations (Vacation Rentals)

Planning Director Owen Dennison described the purpose and scope of the work program to review and update, as necessary, the adopted regulations for transient accommodations in Chapter 16.10 of the Coupeville Town Code. The focus was on bed and breakfast inn and guest house land uses but not on hotels or motels, which are also listed in the Town Code as transient accommodation uses. He noted the Town's transient accommodation regulations were adopted in 1998 and amended in 2000 but had not been reviewed or amended since. The fundamental questions were whether the current code continues to address the needs of the community and whether the current review process is excessive.

Planner Dennison noted that many jurisdictions had reviewed or were in the process of reviewing their vacation rental regulations. As summarized in a Municipal Research and Services Center analysis, issues common to many jurisdictions include:

1. Receipt of lodging and sales taxes;
2. Mitigation of traffic, parking, noise and similar impacts on the surrounding neighborhood;
3. Impacts on the supply of affordable housing; and
4. Compliance with life safety standards, and building code requirements:

Planner Dennison noted an additional potential issue of local concern that conversion of long-term to short-term housing may reduce the sense of community through a dilution effect.

Commission discussed the challenges of identifying vacation rentals operating in the community without permits and enforcing regulations. Commissioner Cook noted that it is difficult to monitor vacation rentals operating in the community as the booking websites do not provide addresses. She was aware of subscription services that track these businesses for local jurisdictions across all websites. Planner Dennison concurred that this option is worth exploring. Cost of the service may be a significant factor.

Commissioner Julie Roth asked what the benefit to a vacation rental operator was of obtaining a conditional use permit and what the current penalty was for non-compliance. Planner Dennison replied that, under current codes, a conditional use permit would allow them to operate legitimately. For the duration of the moratorium, the direction to staff was not to actively pursue enforcement. However, if there were flagrant public safety issues or neighborhood complaints, the Town would pursue enforcement actions. Due to limited staff resources, code enforcement was always challenging. The preference was to spend the energy reviewing and updating the codes, as necessary, then address enforcement of violators with implementation of new codes. Town Code provided for civil and criminal penalties depending on the nature of the violation.

Commissioner Reyes asked if the Town had liability if it failed to take enforcement against violators for life safety provisions. Planner Dennison responded that case law provides broad discretion for whether and how a jurisdiction may act to correct a known violation.

After asking whether Commissioners had additional questions regarding matters covered to that point, Chair Moliter turned the discussion to the questions specifically raised in the staff report.

Planner Dennison acknowledged that transmittal of the staff report and attached materials had not provided the public a reasonable opportunity to absorb it and submit comment. He recommending discussing the questions but not attempting to answer them at this point, to make certain staff has identified the right questions and, for each one, all appropriate considerations in answering the questions. The discussion would be brought back for continued discussion at the December meeting. This would have the benefit of additional public comment.

Chair Moliter to lead the Commission through the questions.

**Question 1. Should the Town continue to allow guest house uses in residential zones?**

Chair Moliter noted that the Town could either establish new code or continue with the current regulations, including the requirement for a conditional use permit in residential zones. She noted that the current conditional use fee of \$2700 is a disincentive to property owners considering creating transient accommodation uses and legitimizing existing unapproved uses. As well, the current quasi-judicial process taxes scarce staff resources. Planner Dennison concurred these are reasonable considerations and reiterated that, if the anticipated impacts can be identified, set code conditions may be an alternative to the current process. The question was whether the impacts can be adequately addressed in all or at least the vast majority of cases solely by code compliance.

Commissioner Michelle Cook suggested adding a question of whether the current definitions for various types of transient accommodation should be reconsidered. Planner Dennison stated that was certainly worthwhile to ask. He provided the example of accessory dwelling units, which, by definition, are not currently not eligible for use as guest houses.

Chair Moliter referred to staff comments on the effect of vacation rentals on the availability of affordable housing and the “dilution” effect on the community. If a house used as a guest house would be otherwise be vacant does its use as a guest house have a material effect on the community? Also, as guest houses may be among the better housing stock in the town, if these houses are taken out of the housing market, how does this affect affordable housing?

Planner Dennison responded that long-term housing is an alternative to short-term rental. If short-term rental is not allowed, it is assumed that property owners will seek another economic use of their property. He also stated that housing affordability is not only based on the availability of units of lower value but is affected by the overall availability of housing relative to demand. A lack of supply relative to demand may increase the cost of rental and for sale housing stock overall. He emphasized that it is the cumulative effect on the market that is the consideration.

Commissioner Reyes requested clarification of the classification according to current regulations of short-term rental of one or more rooms in a single-family home. Planner Dennison stated that this would be considered a bed and breakfast inn, provided all other requirements of the use, such as owner- or proprietor-occupancy, are met.

**Question 2. Should the Town amend the regulations applicable to bed and breakfast inn uses in Residential zones?**

Chair Moliter confirmed current requirements for bed and breakfast inns and asked for Commissioner comments.

Commissioner Michelle Cook offered that she saw no problems with bed and breakfast inns as there is an owner/operator present when operating. As well, the owners have a stake in the community and are generally involved in community activities and tourism.

Planner Dennison concurred and noted that was the reason for their exclusion from the moratorium. He asked whether consideration should be given to replacing the current quasi-judicial review with a simpler permitting process.

Commissioner Cook asked if there was a list of bed and breakfast inns and guest houses that are operating legally. Planner Dennison said that list should be available from the tax records.

**Question 3. Should the Town require an on-site owner/operator for guest houses in residential and/or commercial zones? A corollary question is whether the definition of “guest house” should be changed to something other than single-family residence to allow rental of accessory dwelling units and/or multi-family dwelling units for short-term rentals.**

Chair Moliter asked for comments.

Planner Dennison stated that, in lieu of a hosted facility, a number of jurisdictions have incorporated a requirement for the designation of an on-call contact who is available all hours and can be on-site within a half-hour or an hour to address any issues as they arise. Currently the neighbors can call the police, and enforcement is difficult with issues that don't rise to the level of criminal offense. Some jurisdictions require that notice of operator and contact information be mailed to neighbors within a certain radius.

Chair Moliter stated that it would be reasonable to add verbiage to require an on-call responsible person available to address matters that may arise.

Planner Dennison brought to the attention of the Commissioners one of the subordinate questions, which is whether multi-family units should be allowed to be guest houses. Under current code, townhouses are not considered single-family dwellings. He encouraged the Commission to consider the implications of such a change, noting that the intent of a review of regulations is not merely to add restrictions. Where it's appropriate, this is also an opportunity to add flexibility.

Commissioner Cook referred to the vacation rentals operating under the radar and asked what inducements the Town could make to encourage such uses to operate legitimately. Planner Dennison responded that adoption of new codes could include a grace period for those uses that are currently illegal. He also noted that enforcement is frequently challenging but, if the uses are licensed, the regulations could require that advertisements for transient accommodation include the permit number to provide easier oversight.

Chair Moliter commented that public outreach would help to educate operators of the requirements.

**Question 4. Should guest houses and bed and breakfast inns in residential zones be subject to the conditional use process, as required under current codes, or be made a principal permitted use subject to conditions?**

Planner Dennison spoke to the benefits and shortcomings of the conditional use process as it applies to transient accommodations and responded to Commissioners' questions.

**Question 5. Should the code provide special allowances for the use of designated historic residences for guest houses? For instance, if guest houses are prohibited in residential zones, should there be any separate allowance for the use in historic structures?**

Responding to Chair Moliter, Planner Dennison clarified that this may be an incentive to restore or improve historic buildings.

Chair Moliter turned the Commission's discussion to the sample regulations from other jurisdictions. She expressed her perception that restrictions on the number of guests per bedroom was overreaching regulation. Planner Dennison noted that similar provisions were in most of the sample codes. Chair Moliter commented that the Clyde Hill regulations appeared to address, in a concise manner, the concerns that had been expressed with the Town's current regulation.

Chair Moliter asked if parking needs to be addressed for guest houses, as they are already separately regulated for single-family residences. Planner Dennison described circumstances under which guest house uses may generate greater parking demand than a typical single-family residence.

**AUDIENCE INPUT**

Chair Moliter opened the meeting to audience comment.

Sylvia Sotelo, owner of the Float on Inn bed and breakfast inn, addressed the Commission. Ms. Sotelo asked if the Town could limit the total number of guest houses permitted per year to perhaps four or five. She also noted that Airbnb and, as of July 1<sup>st</sup>, VRBO collect and pay use taxes. Ms. Sotelo also asked when the cost of a conditional use permit had increased and why it was so expensive.

Planner Dennison explained the Town's transition from Planning Commission/Town Council to the Hearing Examiner for quasi-judicial reviews.

Ms. Sotelo expressed support for a requirement for including permit numbers in advertisements.

Kevin Greggs addressed the Commission again.

Mr. Griggs noted that his Whispering Bamboo bed and breakfast is one of the legitimate transient accommodations in the Town. He felt that \$2700 is a significant cost for a one- or two-room bed and breakfast as the profit margin is thin when considering all costs. He was leaning toward a code requirement for a renewable permit, on a bi-annual or annual basis, provided it is affordable and reasonable. He was looking for a well-defined regulatory structure, including parking. He believed local transient accommodation should be held to a high standard. Above all, the regulations must be enforceable.

Commissioner Cook thanked audience members for attending and providing comment. She suggested the Town could sponsor a door-to-door survey to evaluate the extent of transient accommodation uses in the town.

Planner Dennison brought to the Commissioners' attention an email from David Broberg, owner of the Blue Goose Inn, that was placed on the dais at before the meeting. Mr. Broberg expressed disappointment in the process due to the short timeframe to evaluate and respond to the staff report. Staff also unintentionally neglected to include him on the notice of the meeting, for which he had registered as a party of record. His comments were submitted for the record.

Chair Moliter asked staff for any additional comments before adjournment.

Planner Dennison responded to a question he received from Commissioners asking why this transient accommodation issue was coming forward before the completion of the Shoreline Master Program code amendment and the Comprehensive Plan update work programs that were already initiated. He clarified that, at any given time, there are a number of competing priorities and all are important. As priorities, they all need to proceed through the process, in parallel to the extent possible. The fact that another work program was being initiated should not be taken as a message that the other work programs are less important or are taking a back seat to this discussion.

### **ADJOURNMENT**

Following a motion by Commissioner Reyes and second by Commissioner Cook, Chair Moliter adjourned the meeting at 8:02.

Respectfully submitted,

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Claudia Golden, Recording Secretary

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Owen Dennison, Planning Director



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## STAFF REPORT

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**DATE:** December 4, 2018  
**TO:** Planning Commission  
**FROM:** Owen Dennison, Town Planner  
**RE:** Transient Accommodation

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This agenda item continues the Planning Commission's discussion of potential amendments to the Town's transient accommodation regulations from the November 6, 2018, agenda. As discussed at the November Planning Commission meeting, in the context of the Town Code, "transient accommodations" include hotels, motels, bed and breakfast inns, and guest houses. Like many jurisdictions, the Town's transient accommodations regulations have not been updated in many years, and may no longer be adequate to address the current state of the vacation rental industry, which has seen significant growth and change in the 18 years since the applicable Town Code has been reviewed.

### ISSUES

Potential concerns discussed at the November meeting regarding current regulations include:

- Collection of lodging and sales tax for businesses. This issue is not strictly about receipt of taxes owed the Town but about equity among all transient accommodation uses and the challenges of enforcement against those guest houses and bed and breakfast inns that operate outside local regulations.
- Mitigation of traffic, parking, noise, and other impacts on the surrounding neighborhood. The issue is whether the current regulations applicable to transient accommodation uses, particularly those operating in residential neighborhoods, are sufficient to adequately ensure that impacts to surrounding properties are minimized. Information on the type and frequency of concerns by adjacent property owners under existing conditions is not available. It is likely that most transient accommodation guests are respectful of neighbors and strive to comply with accepted standards of conduct, perhaps to a greater degree than some long-term residents. However, the concern that, among the evidently high number of guests, some may not feel constrained by normal social restrictions and issues for the neighbors may result. Staff believes that the Town has a primary duty to the residents and owners of residential properties to ensure, to the extent possible, that their quality of life is not impaired by allowances for commercial uses within established residential neighborhoods.

Generally, commercial uses in residential areas are regulated to preserve residents' comfort and repose to the extent possible, as well as to preserve the residential physical character of the neighborhood. Clearly, potential impacts from hosted facilities such as bed and breakfast uses are a much lower concern than for guest houses. To address the potential for impacts, some jurisdictions have opted to adopt periodic licensing requirements. Re-issuance of a license can include a review of complaints received from neighbors, allowing flexibility in the response and an incentive for thoughtful management of such facilities. Other options may include a prohibition on the use in

residential zones, adoption of more stringent nuisance regulations, or a requirement that facilities be hosted.

Parking is a challenging issue for all land uses. The intent of parking standards is generally to accommodate a “typical” parking demand on the site and thereby preserving on-street parking for limited periods of high demand, for instance a party with a number of guests. Parking standards are not intended to accommodate maximum instantaneous parking demand. The Town Code currently requires two spaces for a single-family residence. The parking code does not limit the maximum number of vehicles that can be under the control of a property owner or that can be maintained on a lot. Therefore, the parking standard may or may not be sufficient to accommodate all on-going parking demand. As the Planning Commission has discussed, single-family households may have in excess of two vehicles, the garage may be used for storage, or recreational vehicle may consume all or most of the parking available on a site. Similarly, visitors to a guest house may arrive in one, two, or six vehicles, with the number likely to be similar to a standard single-family demand. A regulatory option to address parking is to limit the number of guests or to require one parking space per bedroom or similar measure.

- The impact of short-term rentals on the community’s affordable housing supply. As discussed, the degree of effect the transient accommodation industry may have on the availability of housing in the community, either now or in the future, is at least difficult to quantify or predict.

Based on a survey of the primary on-line booking websites and the Town’s land use records for conditional use permits, staff has identified 27 properties operating or evidently vested to operate a bed and breakfast inn or guest house. Of these, 18 are guest houses, of which seven are in accessory buildings. Seven guest houses have received conditional use permits of which staff has found documentation. Nine bed and breakfast inns are evidently operating or have received conditional use permits to operate. Please note that this survey may not be comprehensive and, given the flexibility to easily opt into or out of the market, it represents, at best, a snapshot in time. Whether the current 18 registered or operating guest houses have a material effect on the cost and availability of housing in Coupeville is open to interpretation.

The larger question is how much this number may increase in the future. The long-term impact on the housing market will depend on the saturation point for guest houses in the local economy. It is equally possible that that point is near or that the market is still developing. If determined to be an existing or potential issue, options are to:

- Let the market continue to work and monitor the trend but do not allow more sites to vest. In other words, provide short-term licenses to operate but do not issue conditional use permits that will vest the use.
- Issue licenses for guest houses but limit the total number issued in any year. This has been implemented in other jurisdictions but appears to be a somewhat complicated approach and one that creates uncertainty for property owners.
- Prohibit guest houses in all or certain residential zones.

As discussed in the context of the Comprehensive Plan update, the population of Coupeville will continue to grow and new housing stock will be required to accommodate it. The Town has adequate capacity for the next 20-year planning period and guest house conversions are not anticipated to change this calculation. Since there is

little apparent academic research or models to follow, the actual impact on long-term capacity is unknown. However, the Town Council has legislative authority to modify zoning boundaries and increase densities, as appropriate.

- Impact on the character of neighborhoods or the community as a whole. A less measurable impact is the potential effect of conversion of permanent housing to short-term rental on the community. Is there a density of vacation rental housing at which a residential neighborhood assumes the character or dynamic of a commercial neighborhood? Is there a likelihood this density will be achieved? Clearly, this is a qualitative rather than quantitative issue, although the solution—if an issue is perceived—may be quantitative, e.g., to limit the density by block or institute a minimum separation from other sites.
- Compliance with life/safety standards that are commonly applied to other types of lodging establishments, such as hotels and motels. From a building code standpoint, small-scale lodging facilities such as bed and breakfast inns with one or two guest rooms and short-term rental of entire single-family homes, are limited to requirements for smoke and carbon monoxide detectors. Transient accommodations of three or more lodging units are licensed and regulated by the Washington State Department of Health per RCW Chapter 70.62 RCW and WAC Chapter 246-360. Requirements for regulated accommodations are extensive, prescriptively addressing aisle widths, bathrooms, kitchens, heating, cooling, and ventilation, lighting, bedding, laundry, fire safety, etc. Unless additional requirements are adopted locally, small-scale transient accommodations of the type historically allowed in residential zones will be held to a lower standard than those regulated by the State.

### QUESTIONS.

The following questions were posed at the November meeting but only discussed in general.

#### Planning Commission discussion

Question 1. Should the Town continue to allow guest house uses in residential zones? If the code is amended to prohibit guest houses in residential zones, all existing uses for which conditional use permit have been granted would continue but no new guest houses could be established. Potential considerations of such a code change may include:

- A reduction in the availability of lodging during the summer tourist season, although it may provide an incentive for establishment of more lodging uses in commercial zones.
- A reduction in the potential for compatibility issues with residential uses. An alternative to prohibition is to require a contact party who is available to address issues at an hour's notice whenever the use is operating.
- An increase the likelihood that existing and future housing stock will be available for long-term residential use.
- Depriving those with a second home from some economic use of the property when they are not in residence.

Question 2. Should the Town amend the regulations applicable to bed and breakfast inn uses in residential zones? The code currently allows up to two guest rooms in the Low Density Residential, RM-9,600, and High Density Residential zones and up to six guest rooms in the Residential Reserve zone. In all zones, cooking facilities are prohibited in guest rooms and an operator is required to be on-site while the use is open. Amendments could prohibit such uses in

residential zones, modify the number of allowed guest rooms, or establish different standards based on the size of the lot. Increasing the number of guest rooms would increase the parking requirement. Considerations associated with changing the standards applicable to bed and breakfast inns in residential zones may include:

- The allowance for bed and breakfast inn uses in residential neighborhoods provides the owner with extra income without significant impacts to the surrounding neighborhood or the community character. A possible amendment to provide more surety in maintaining the intensity of such uses is to restrict the number of guests who may be in residence at any one time.
- No significant increase or decrease in compatibility issues, as these are generally addressed by the on-site manager-in-residence requirement.
- Increasing the number of guest rooms may affect the residential appearance of a lot from the increase in parking spaces.
- Due to the requirement for on-site residence by the owner or operator, a bed and breakfast inn functions as a single-family residence with an accessory business. Therefore, an increase in the number of bed and breakfast inns potentially resulting from an increase in the number of guest rooms is not anticipated to affect the availability of housing.
- Residential character may be affected to some degree if bed and breakfast inns acquire a more commercial appearance due to an increase in guest rooms.
- Bed and breakfast inns with more than two guest rooms would have a different occupancy status and would be subject to higher standards under the building codes.

Question 3. Should the Town require an on-site owner or operator for guest houses (referred to as “hosted” facilities in other jurisdictions) in residential and/or commercial zones? A corollary question is whether the definition of “guest house” should be changed to something other than single-family residence to allow rental of accessory dwelling units and/or multi-family dwelling units for short-term rentals. Considerations associated with amendments to require on-site management or to allow other types of housing units may include:

- In general, if on-site management is required, at least one residential unit on an existing lot will be preserved rather than converting an entire lot to a commercial use.
- Unless there is an accessory dwelling unit on the site for the owner to reside, it is not clear how a guest house could be hosted. However, code amendments could include an allowance for transient rental of an accessory dwelling unit where it currently is not permitted. This would allow a home owner to live in the principal dwelling and rent out the accessory unit.
- Are there attributes of attached multi-family units that would make guest house uses inappropriate?
- If greater oversight of guest houses is desired, is an acceptable alternative to require an off-site but on-call manager to be available 24 hours per day while a guest house is rented?

Question 4. Should guest houses and bed and breakfast inns in residential zones be subject to the conditional use process, as required under current codes, or be made a principal permitted use subject to conditions? Within the commercial zones, guest houses and bed and breakfast inns are principal permitted uses subject to the conditions in CTC 16.10.080. Considerations associated with changing the standards applicable to bed and breakfast inns in residential zones may include the following:

- Reduced opportunities for direct involvement in the public process. This would require greater reliance on code standards applicable to the uses.
- Removing the requirement for a conditional use permit would lower bar to entry into the market. The current \$2,700 application fee may serve as a deterrent to new properties entering the market. As noted, staff believes it is inappropriate to use land use review processes primarily to discourage a land use.
- Are there anticipated impacts for which mitigation measures cannot be code requirements rather than conditions imposed on a discretionary basis by the Hearing Examiner?
- Should the current process be replaced with an annual permit under which compliance with applicable conditions would be reviewed for each issuance or reissuance together with comments and complaints received from community members?

Question 5. Should the code provide special allowances for the use of designated historic residences for guest houses? For instance, if guest houses are prohibited in residential zones, should there be any separate allowance for the use in historic structures? Title 16 CTC currently includes provisions for the use of historic buildings that do not apply to non-historic buildings. Considerations may include:

- It may encourage investment in historic homes.
- Unless hosted facilities are required, the loss of available housing stock would be the same as the conversion of a non-historic building.
- Unless hosted facilities are required, there would be same potential for impacts to the surrounding neighborhood as guest house use of non-historic homes.
- It may encourage conditions resulting in greater wear and tear on historic buildings.
- Other considerations?

To assist in the Planning Commission's consideration of options to modify the current transient accommodation regulations in CTC 16.10.080, example provisions from other jurisdictions are provided as Attachment B. Incorporation of these options are not necessarily recommended. Rather, they are intended to illustrate how other jurisdictions are addressing the same concerns. Public comment received is provided as Attachment C.

#### **ATTACHMENTS:**

##### **Recommendation**

Direct staff on preferred policy guidance to provide a basis for a preliminary amendment proposal.

- A. CTC 16.10.080 - Transient accommodations
- B. Regulatory example excerpts from other jurisdictions
- C. Public comment

ATTACHMENT A

**16.10.080 - Transient accommodation.**

This section provides supplemental standards for locating hotels, motels, bed and breakfast inns or guest houses in those zoning districts where these uses are permitted as principal or conditional uses. "Transient accommodation" is defined as the rental of any building or portion thereof for the purpose of providing lodging for compensation for periods of thirty (30) days or less.

- A. Hotels and Motels. Hotels are conditional uses within all commercial zoning districts (HLC, TC and GC) and motels are conditional uses within the general commercial (GC) zoning district only. The following supplemental standards shall apply:
  - 1. The number of allowed guest rooms is limited to one for every one thousand five hundred (1,500) square feet of useable area or ten (10) guest rooms, whichever is the smaller number.
  - 2. Cooking facilities, as defined in the Uniform Building Code, are permitted in up to twenty-five (25) percent of the allowed number of guest rooms.
- B. Bed and Breakfast Inns. Bed and breakfast inns are principal uses in the high-density residential district (RH) and all commercial zoning districts (HLC, TC and GC) and conditional uses within all single-family residential zoning districts (RR, LDR and RM-9600). The following supplemental standards shall apply:
  - 1. Each bed and breakfast inn shall have an approved certificate of occupancy issued by the Town of Coupeville.
  - 2. The owner/manager of the bed and breakfast inn shall reside at the inn when it is open for business.
  - 3. The number of guest rooms shall be limited to no more than two in the LDR, RM-9600 and RH zoning districts, and to no more than six in the RR zoning district, and to no more than eight in the HLC, TC and GC zoning districts.
  - 4. Guest rooms at bed and breakfast inns shall be devoid of cooking facilities.
  - 5. In addition to the parking requirements for single-family residences, one off-street parking space shall be required for each guest room and full-time equivalent employee not resident at the inn. Parking for guests or nonresident employees is not permitted in the public right-of-way.
  - 6. In residential zones, onsite meals and beverages may be served to room guests and their guests only.
  - 7. One sign per bed and breakfast inn is permitted, subject to the commercial sign requirements elsewhere in this title.
  - 8. Accessory uses, buildings and structures associated with the bed and breakfast inns located in the RM-9600, LDR and RR zoning districts shall be limited to those found customarily at single-family residences.
- C. Guest Houses. Guest houses are principal uses within all commercial zoning districts (HLC, TC and GC) and conditional uses within single-family residential zoning districts (RR, LDR and RM-9600). The following supplemental standards shall apply:
  - 1. Each guest house shall have an approved certificate of occupancy issued by the Town of Coupeville.
  - 2. Guest houses are permitted as single-family dwellings only.

3. One nonilluminated sign may be erected, subject to the design and review standards contained in Chapter 16.28 of this title.
4. Accessory uses, buildings and structures associated with the guest house located in the RM-9600, LDR and RR zoning districts shall be limited to those found customarily at single-family residences. (Ord. 604 § 2, 2000; Ord. 566 § 2 Exhs. A (part), B (part), 1998)

## ATTACHMENT B

[Note: Below are excerpts from the codes of the jurisdictions indicated. The excerpts are intended to provide some idea of what the jurisdictions require on a procedural or site-specific basis but do not include the entirety of the respective codes. More examples can be viewed on the Municipal Resource Services Center website at <http://mrsc.org/Home/Stay-Informed/MRSC-Insight/November-2017/Short-Term-Vacation-Rental-Sample-Regulations.aspx>.]

Guest houses [Vacation rental of residences or accessory dwelling units; Short-term rentals]

### San Juan County, WA

- No more than two overnight guests per bedroom plus additional three overnight guests shall be accommodated at any one time. The number of bedrooms is determined by the approved building permit for the structure. A guest is a person over two years in age.
- The vacation rental shall be operated according to the rules of conduct approved by the County that prevent the following disturbances to area residents.
  1. Trespassing;
  2. Noise that violates Chapter 9.06 SJCC (Noise Ordinance);
  3. Off-site parking issues;
  4. Vehicle speeds higher than the posted speed limit;
  5. Outdoor burning that violates the requirements adopted pursuant to SJCC 15.04.07(F)(4)(c), including violations of a burn ban.
- One on-site parking space shall be provided for each bedroom within the vacation rental.
- All vacation rental permit holders are required to display the address of the residence so that it is clearly visible from the street or access road.
- All owner of property used for vacation rental shall comply with the following operational requirements:
  1. Rules of conduct approved by the County;
  2. Unified business identifier number, and the names and addresses of the property owner and agents authorized to act on the property owner's behalf;
  3. A designated local property representative who lives on the island where the vacation rental is located and will respond to complaints and emergencies; and
  4. A valid telephone number where the local property representative can be reached 24 hours per day.
- Include the San Juan County permit number for the vacation rental in all advertisements and marketing materials such as brochures and websites.
- Annually certify compliance with the conditions of permit approval and with the fire and life safety requirements of the International Fire Code as identified by the department on forms specified by the administrator. The annual certification shall be prominently posted on site.
- A vacation rental should not operate or be advertised without a vacation rental permit. Evidence of operation includes advertising, online calendars showing availability, guest testimony, online reviews, rental agreements or receipts.

### Palm Desert, CA

- An owner shall designate an operator to act on the owner's behalf to insure compliance with the requirements of this chapter. The owner shall not be relieved from any personal liability for noncompliance with any applicable law, rule or regulation pertaining to the use and occupancy of the subject short-term rental unit, regardless of whether such noncompliance was committed by the owner or operator or the occupants of the owner's short-term rental unit or their guests.

- Minimum number of days and nights for rent or lease. The minimum duration of a short-term rental unit is three days, two nights. Less than three-day, two-night rentals or leases are prohibited.
- Upon the issuance of a new short-term rental permit and a renewal permit, the city shall mail a notice to the owners and occupants of all residences within two hundred feet of the property line of the rental unit notifying the occupants that a short-term rental permit has been issued and providing information regarding how to lodge complaints (a copy of the Good Neighbor Brochure, and the 24 hour contact person's name and telephone number) regarding the short-term rental unit.
- A short-term rental permit must be renewed annually to remain valid. Failure to renew a short-term rental permit within thirty calendar days of the expiration date will result in the short-term rental permit being terminated.
- A short-term permit shall not be granted for apartments.
- The city may conduct an inspection of the short-term rental unit prior to issuing a new permit and prior to issuing any renewal permit.
- A short-term rental permit application may be denied if the applicant has had a prior short-term rental permit suspended or revoked.
- The maximum number of overnight guests and residents for a short-term rental unit shall not exceed two persons per bedroom. Additional daytime guests are allowed between the hours of seven a.m. and ten p.m., with the additional maximum daytime guests not to exceed two persons per bedroom with a maximum of twenty guests allowed for five bedrooms or more.
- A violation of this chapter by any of the occupants, owner(s) or operator shall authorize the city manager to impose additional conditions on the use of any given short-term rental unit to ensure that any potential additional violations are avoided.

#### Clyde Hill, WA

- Occupancy. Maximum occupancy of the rental shall be based on the International Building Code standards. The property owner shall be responsible for ensuring that the dwelling unit is in conformance with its maximum occupancy.
- Restrictions on use. A renter may not use a short-term rental for a purpose not incidental to its use for lodging and sleeping purposes. This restriction includes using the rental for a wedding, banquet, bachelor or bachelorette party, concert, fundraiser, sponsored event, or any similar group activity.
- Parking. There will be no demand for parking beyond that which is normal to a residential area and no unusual or excessive traffic to and from the premises.
- Signage. No outdoor advertising signs related to the rental dwelling shall be allowed on the site.
- Informational packet. A packet of information shall be provided to renters and posted conspicuously in the common area of the short-term rental summarizing guidelines and restrictions applicable to the short-term rental use, including:
  1. Information on maximum occupancy.
  2. Applicable noise and use restrictions;
  3. Location of off-street parking;
  4. Direction that trash shall not be stored within public view, except within property containers for the purpose of collection, and provision of the trash collection schedule;
  5. Contact information for the local property representative;
  6. Evacuation routes;
  7. The renter's responsibility not to trespass on private property or to create disturbances;

and

8. Notification that the renter is responsible for complying with this chapter and that the renter may be cited or fined by the city for violating any provisions of this chapter.

#### Napa, CA

- Application requirements:
  - Identify the number of bedrooms and the approximate square footage of in the vacation rental unit, and the maximum number of overnight renters under the limitations imposed under subsection XX of this section [limit overnight occupancy of the vacation rental to the specific number of renters designated in the permit, with the number of renters not to exceed two persons per bedroom meeting building and fire code requirements, plus two additional persons per vacation rental unit].
  - Identify the number and location of designated on-site parking spaces, and the maximum number of vehicles allowed for overnight occupants.
  - Provide a copy of the rental agreement, rental rules and regulations and any associated materials.
- The number of vacation rental permits issued pursuant to this section shall not exceed 41 non-hosted accommodations and 60 hosted accommodations.
- Quiet times shall be 9:00 p.m. to 7:00 a.m. Sunday through Thursday evenings and 10:00 p.m. to 7:00 a.m. Friday and Saturday evenings.
- The permittee shall ensure that the renters and/or guests of the vacation rental do not create unreasonable noise or disturbances, engage in disorderly conduct.
- Each written advertisement (whether paper or electronic form) for a vacation rental use shall include the “City of Napa Certified Vacation Rental” permit number as part of the rental offering. No person shall advertise the use of a building in a residential or nonresidential zoning district of the city for a transient occupancy unless: (a) the use is a hotel use; or (b) the use has a permit for a bed and breakfast inn; or (c) the city has approved a vacation rental permit pursuant to this section.
- Upon the Director’s receipt of the documentation of agreement from the applicant, the Director shall provide written notice to all property owners within 500 feet of the conditional approval of the vacation rental, to include: a concise summary of the conditions of the permit, including the maximum number of occupants, maximum number of vehicles allowed to be parked on the property, any special conditions or restrictions; the name of the owner and authorized agent of the vacation rental and the phone numbers at which they can be reached at all times, 24 hours per day; City of Napa code enforcement number that members of the public can use to report violations of the permit; and right of an interested person to appeal within 10 calendar days of the permit approval.
- Each vacation rental permit issued under the authority of this section shall be valid for one year after the effective date, unless approved by the Director for a longer period.
- Prior to each rental of a vacation rental unit, a copy of the house rules, the rental agreement, and the vacation rental permit shall be posted in a prominent location inside the vacation rental unit.

#### Bed and Breakfast

#### Leavenworth, WA

- The bed and breakfast facility shall be the principal residence of the property owner. A property owner must live on-site through-out the visitor’s stay.
- The maximum number of occupants permitted to stay overnight shall be two people for each bedroom, excluding children under the age of six.

- Bed and breakfast facilities in or adjacent to residential districts shall not infringe upon the right of neighboring residents to reasonable peaceful occupancy of their homes.
- A legible sign shall be placed adjacent to the front door (outside), clearly visible to the general public listing the maximum number of occupants permitted to stay overnight, the maximum number of vehicles allowed to be parked on site, and the name and contact information of the contact person. Quiet hours shall, at a minimum, be from 10:00 p.m. to 7:00 a.m. or as otherwise provided by city or state regulations.
- The property owner must clearly advertise the bed and breakfast as property owner occupied. This applies even in cases in which the bed and breakfast takes place in an accessory dwelling unit.
- One off-street patron/visitor parking space, not located within a required yard area, shall be provided for each room rented. All parking must be accommodated on site.
- Within the annual permits provided by the city, the property owner shall report to the city the following information:
  1. The address of the bed and breakfast and the contact name(s) of the property owner.
  2. The total number of nights that the bed and breakfast was occupied for transient accommodation or lodging.
  3. The property owner shall both have legal responsibility for all tax collection of all applicable taxes and remittance of the collected tax.

ATTACHMENT C

Public Comments Received to Date

Susan Upchurch Email, August 19, 2018  
David Broberg email, November 6, 2018  
Kevin Griggs email, November 19, 2018  
Susan Upchurch email, December 3, 2018

## Owen Dennison

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**From:** Susan Upchurch <dsupchurch@yahoo.com>  
**Sent:** Sunday, August 19, 2018 3:57 PM  
**To:** Owen Dennison; Molly Hughes  
**Subject:** Vacation Rental issue

Hello:

My husband and I have owned our home in Coupeville for 8 years, and plan to move to Coupeville full time. Part of our retirement plan will be to rent out a portion of our home for Vacation Rental purposes. This would not result in a loss of long term rental housing, as we do not currently rent the space.

I am aware of the recent moratorium instituted by the Council. Please add me to your notification list of upcoming hearings on this subject, as we will want to be aware of the regulations as they are developed.

I will share with you that I currently am employed as the District Director for the Board of Supervisors Fifth District in the County of Sonoma. I was intricately involved in the development of our vacation rental ordinance, and the various issues that concern neighborhood compatibility.

When we established our original ordinance in 2011, we saw a gain in our TOT (tourism occupancy tax) of over \$4million the first year. We are now requiring permit numbers to be disclosed on AirBnB and VRBO advertisements for rentals within the county, and that has helped with compliance.

I hope that you reach a solution which will allow the continuance of vacation rentals within the town, along with penalties for those who do not register and pay tax.

Our county recently increased our TOT 2 percentage points, with the money dedicated to infrastructure repair, tourism impacts, and affordable housing. I know the dollars are smaller in town, but it might be possible to look at increasing the town tax so that benefits are created by VR permits that make a difference.

Best regards,

Susan Upchurch  
Graton, CA

Sent from my iPad

## **Owen Dennison**

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**Subject:** Transient Accommodation Meeting

Owen Dennison, Town Planner:

I received notification of your meeting tonight on proposed changes to the Town of Coupeville code on Transient Accommodations after an associate forwarded your email announcement to me. I am very disappointed that I was not notified directly after specifically signing up as a "Party of Record" last summer. I also stopped by your office a couple of weeks ago to introduce myself as an interested party, lodging business owner, President of the Whidbey Island Bed and Breakfast Association and member of the Board of Directors of the Washington Bed and Breakfast Guild.

I am also extremely disappointed in the process your office is taking with the short notice of the meeting with less than 24 hours notice for such an important topic that affects the livelihood of local Coupeville businesses. Because today I am fulfilling my duties as board member of the Washington Bed and Breakfast Guild at their annual conference, I am unable to attend the meeting in person. Please read this entire letter as my response during the meeting tonight.

Because of this short notice and my prior obligations, I am unable to fully review the 12 page staff report with the care and consideration it deserves. I hope you will grant me an extension to submit a more detailed response at a later date. Please expect a more detailed response to the questions and proposal in a few days.

Sincerely,

***David Broberg***

Owner/Innkeeper, The Blue Goose Inn, 702 N Main St, Coupeville WA  
President, Whidbey Island Bed & Breakfast Association  
Board Member: Washington Bed & Breakfast Guild  
303.579.7975

## Owen Dennison

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**From:** Kevin Griggs <whisperingbamboobnb@gmail.com>  
**Sent:** Monday, November 19, 2018 11:15 AM  
**To:** Owen Dennison  
**Subject:** Transient Accommodations

Hi Owen,

Sorry to be so tardy with this reply to your Transient Accommodation discussion paper. As we discussed the other day in your office, I would like to submit my thoughts on the questions raised in the discussion document.

Q1, Should guest houses be allowed in residential areas?

I would say "yes" provided they meet town codes and regulations. As we know, the Air B&B model is well established and growing in popularity. It provides guests with access to more and increasingly diverse accommodation options as well as provides home owners with extra income to offset the ever increasing levies & taxes that typically drive people from their homes. Coupeville is a tourist town that needs people to visit and stay in the town area to support the local economy. Having extra accommodation options serves to increase tourist visits and therefor income for local shops and restaurants. Having these accommodation options in Coupeville proper encourages the likelihood that visitors will patronize our town businesses.

Q2, Should regulations be amended?

I think "yes" again. If regulations are clearly written to define what is expected of a potential B&B type accommodation as well as what is or is not allowed, then a more level playing field will exist and better/easier enforcement will be possible. B&B type accommodations of one or two rooms in private residences within residential areas must not infringe on neighbors rights or quality of life and therefore must have some form of enforcement ability. Clear regulations provide this.

Q3, Should on-site owner/operator be required?

I believe that for B&B type accommodation, definitely "yes" but not necessarily for Guest House rentals as long as a local "management" of the guest house is available to act upon violations of code or safety concerns in timely manner. Guest Houses are often second homes or investment properties so it is unlikely that an on-site owner or operator will be available but again, having this type of transient accommodation available for family units to rent is a plus for the town economy.

Q4, Should Guest Houses & B&B's be subject to Conditional Use process?

On this, I would say "No", as long as town codes & regulations clearly define Transient Accommodation requirements to include parking requirements, cooking facilities, fire and safety requirements, total occupancy allowed, etc. I think a better option to the Conditional Use process would be a one, two or three year renewable permit which allows for some form of enforcement and encourages compliance to regulations. Obviously as with the Conditional Use Permit, an alternative permit would probably insure a fee but that needs to be weighed very carefully so as not to impact on already very slim profit margins and thus encourage underground activity that currently exists.

Q5, Should code provide special allowances for use of historic residences?

I don't see a reason for "Special Allowances" if town codes have well defined regulations. Historical Residences often offer a unique, desirable experience for tourists. They do however often fit in a category of greater than the average one or two room residential B&B so thus would be governed by the Inn or Hotel regulations I would think.

The bottom line is that we want to encourage tourism in the Town of Coupeville and provide local accommodations to support this but at the same time, provide rules and guidelines for such accommodations. The established B&Bs in the

Coupeville Lodging Association already have codes via the Conditional Use process so extending this to unlicensed players will help level the playing field, establish suitable standards and also ensure town lodging tax is being collected.

I hope this helps with your process on the subject.

Best Regards,  
Kevin Griggs  
Whispering Bamboo B&B

## Owen Dennison

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**From:** Susan Upchurch <dsupchurch@yahoo.com>  
**Sent:** Monday, December 03, 2018 7:28 AM  
**To:** Owen Dennison  
**Subject:** Vacation Rental Manager Certificate training

Good Morning, Owen:

Thanks for your response. Now that you will have an extension, I'd like to point you to a resource on our county website. In a prior email, you mentioned that you liked the 3 strikes provision - which has been so effective I don't think we have had to revoke any permits...

Here is another aspect that improved our compliance and reduced complaints by a lot!

<https://sonomacounty.ca.gov/PRMD/Regulations/Vacation-and-Hosted-Rentals/Property-Managers/>

Essentially, our ordinance requires the persons (whether a company managing or an individual) running a vacation rental to be certified after taking a training. The link will take you not only to the webpage, but also to the course and test.

Think it is worth considering and would result in fewer problem properties...though I will note that Coupeville is not the partying destination that wine country is!

Susan Upchurch

Sent from my iPad