City of Langley
Planning Advisory Board
AGENDA
December 5, 2018
LANGLEY CITY HALL
112 2nd Street, Langley WA

1. Call to Order
2. Approve agenda
3. Approve minutes of November 7, 2018
4. Discussion Items:
   a. Housing survey results and presentation (attachment)
   b. STR Scan and framework (attachments)
   c. Housing Code Amendments public hearing January 2, 2019
   d. Council direction to review participation rates and utility fees for permanently affordable housing
5. New Business
6. Citizen comments
7. Announcements
8. Adjourn

Next Regular Meeting: January 2, 2018
Guiding Principles for Citizen Committees and Boards.

- All advisory board and committee meetings are to be conducted in public session and noticed in accordance with state law, unless otherwise advised by the city attorney.
- Individual committee members and the collective group will be fair, impartial, and respectful of the public, staff, and each other.
- Committee members will respect the limitations of their individual and collective authority. The role of the committee is to advise the city council and/or staff. Please keep in mind that committee appointment does not empower you to make final decisions, unless authorized by state law or the group’s enabling ordinance, or to supervise staff.
- Members will strive to appreciate differences in approach and point of view, whether from each other, the community, the city council, or staff.
- Each member will participate in the group’s discussions and work assignments without dominating the discussion or activity of the committee.
- The committee chair will ensure that all members have a fair, balanced, and respectful opportunity to share their knowledge and perspectives.
- The committee will attempt to reach consensus on issues. If consensus is not possible, strong differing opinions, such as “minority” opinions, should be recorded and acknowledged in the committee’s report to the city council.
- There should be “no surprises” from the committee, either in the nature of the work being undertaken by the committee or the method and timing for conveyance of recommendations to the city council. The staff liaison fulfills an important role in assisting the committee in this regard.

When presenting recommendations to the Council, it is essential that advisory group members keep the following in mind:

- all recommendations should be in written form;
- all ideas should be expressed in clear and concise language;
- proposed solutions should be viable and cost-effective;
- recommendations should identify the reasons for the changes suggested;
- the advice should reflect a consensus of a majority of the group members.
City of Langley
Planning Advisory Board
MINUTES
November 7, 2018 – 3:00 PM
LANGLEY CITY HALL
112 2nd Street, Langley WA

The meeting was called to order at 3:00PM

ATTENDANCE
Members: Thomas Gill, Maralie Johnson, J.R. Fulton, Tucker Stevens
Staff: Brigid Reynolds, Planner, Randi Perry, Utility Supervisor, Jill Neecham, Planning Assistant
Regrets: Rhonda Salerno, Burt Beusch

1. Approval of the Agenda

The agenda was approved.

2. Approval of Minutes

Minutes of 10/03/18 were approved.

3. Short Term Rentals

Tucker Stevens recused himself from the Board and moved to the audience due to his conflict of interest as an owner/operator of a STR.

   a. Tom Felvey, representing the interests of the professional tourism accommodation operators, gave a PowerPoint presentation detailing the differences between STRs and traditional B&Bs and commercial hotels/motels, issues concerning STRs, and policy suggestions including the following comments:

      o Short term rentals displace long term housing.
      o Income from corporations like Airbnb and VRBO does not stay in Washington State.
      o In Langley’s zip code there are approximately 100 STRs operating.
      o Purpose built inns/hotels etc operate at a 60% capacity over the year.
      o Suggested using definitions such as Seattle and San Francisco.
      o Suggested that the City place a cap on the total number of STRs, rooms, and room nights to be rented.
Suggested requiring Operator’s License, City Business License, building/fire inspections, commercial water and sewer hook ups, State DOR UBI number, Transient Accommodations License of Approval, and all food related licenses.

Tucker, as a citizen, described his STR and the rationale behind renting out his ADU.

Discussion followed about the issue of illegal STRs and the challenge of enforcement.

Tom asserted that something must be done to level the playing field among STRs and established inns and B&Bs.

Brigid summarized the Vision and Objectives reviewed by the PAB at the October 3 meeting. The report includes a table of possible categories for STRs, proposals for regulation, and the discussion questions were posed.

Due to the low turn-out this discussion will continue next month. Board members should be prepared to provide direction as to how to proceed.

b. STR Moratorium

Brigid clarified that the moratorium means that no new STR business licenses or permits can be accepted. The current moratorium ends in mid-January and Council must hold another public hearing and pass another ordinance.

Thomas moved to table the discussion until next meeting and recommend to the council that the moratorium be extended by 6 months.

Tucker returned to his seat at the Board table at 4:37 pm

4. Utility Rates

Randi Perry gave a PowerPoint presentation on how utility rates are established and the proposed utility rate changes proposed to the Council as follows:

- Low base, increasing the cost of use
- Increase base to cover operations and CIP
- Increase base, less inclusion, and increase the cost of use

Past Councils preferred a hybrid of option 2 and 3 for funding reliability and equity.

Randi also discussed participation rates which are used to confirm a ‘right’ to that particular utility and to fund future maintenance projects to keep the utility functioning.

These are of the most interest to PAB as this is a means to incentivize the creation of affordable housing units. Cottage home development has a lower participation fee (75% of SFR) and her analysis of water use for these types of units show that this is at a rate of 75% as well.

The Board discussed in greater detail how much participation rates should be for Tiny Homes. Perhaps 50% of SFR.

PAB discussed linking participation fees with the number of fixtures. For example, a Tiny Home with a low flow toilet and shower will consume far less than a 2000 SF SFR with multiple bathrooms and fixtures.
The PAB was concerned that maintaining a participation fee structure for Tiny Homes or smaller units the same as single family home would not incentivize affordable housing and instead encourage larger homes.

Randi recommended a trial period in which cottage homes were charged a 3/4 connection fee.

4. **New Business**
   No new business.

5. **Citizen comments**
   No citizen comments.

6. **Announcements.**
   No announcements.

7. The meeting was adjourned at 5:36
Langley Housing Survey Results

Introduction

Langley, as well as Island County as a whole, are experiencing a shortage of affordable housing due to several reasons including changing demographics, increases in housing prices, vacant/seasonal use homes, lingering recession effects, and an increasing population. The Comprehensive Plan adopted in 2018 works to increase housing affordability. To implement part of this larger strategy, the City has completed a draft of a new housing ordinance designed to increase the availability, affordability, and diversity of housing options. Its main objective is to increase the number of infill housing units by increasing the number of Accessory Dwelling Units (ADUs) allowed per property, encourage Tiny House communities, and ease the restrictions on boardinghouse approval.

Survey Background

To better understand Langley’s housing needs, a voluntary survey was created regarding proposed code amendments to reduce housing barriers. The survey was sent to each utility ratepayer within Langley city limits. This survey was designed to gather input and personal experiences about Langley’s current housing situation. Of all the surveys sent out, 142 were returned and results were compiled. Selected comments are featured. Please note, this survey was for informational purposes only and was not designed to be scientific.

Executive Summary

Most respondents acknowledged the lack of housing availability for Langley’s workforce. Only a small minority believed there are enough housing options for homeowners and renters, 6.5% and 3.9% respectively. The majority believed Langley lacks housing and smaller percentage were not sure.

Of the 142 respondents, 51.8% reported having friends or relatives who experienced housing related issues, including affordability, unavailable units, sub-standard housing, or eviction for short-term rentals. Most comments described lack of affordable housing.

Although only 13.4% of respondents are employers in the City of Langley, 1/3 of them reported that their employees had issues relating to housing. Most comments addressed the lack of affordable housing.

When asked the percentage of income they spend on housing (mortgage/rent, utilities, insurance etc.), 38.3% reported spending more than the “ideal” 30%, 8.3% spent 30%, and 45.1% spent less than 30%.

Only 14.4% of survey respondents have an ADU on their property and 41.5% knew of a neighbor that does. Surprisingly, 11.1% were aware of issues in their neighborhood related to ADUs.

Long term rentals were more popular, as 13.2% reported having a long term rental and just 4.9% reported having a short term rental.
Support for Code Amendments

64% of respondents were in favor of allowing more than one ADU per property with an existing Single-Family Residence (SFR). 28.8% were not and 6.4% were not sure. Comments included concerns posed regarding noise, parking, lot size, sewer availability, and potential to be used as Short-Term Rentals (STRs). Many commenters expressed support for them as long as the lot was of adequate size and design review was in place.

66.7% of respondents were in favor of allowing multiple small dwelling units on one lot (i.e., tiny homes 150-300 square feet). 26.8% were not and 6.5% weren’t sure. Although the majority supported this issue, commenters were concerned about potential density issues with parking, lot size, a “tent city” or shack appearance. Many suggest restricting their use as STRs, requiring them to be owner occupied, and reviewing their design. A few were also concerned with the viability of living in 150sq ft long term.

65% were in favor of making the boarding house approval process easier. 24.2% were not and 10.8% weren’t sure or didn’t know enough about the current process to answer. Those in favor expressed that this type of housing would increase the options available, particularly for single men and women. Those in favor believed that increasing the number of boarding houses will bolster the community and increase affordability. Commenters were concerned with the potential for overcrowding and suggested limiting the number of boarders per house.

54% were in favor of placing more restrictions on short term rentals. 39.5% were not, and 6.5% weren’t sure. Some of those in favor voiced support for limiting the number allowed in the city by a lottery and taxing owners. They were concerned that STRs displace long term renters and produce noise and disturbance for neighbors. Those opposed to more restrictions claimed that STRs boost the tourism industry, which is an important aspect of Langley’s economy.

Evident in the results of this survey, Langley’s citizens acknowledge the shortage of affordable housing options. In order to increase the supply of affordable housing for the workforce, regulation and policies need to be created to encourage alternative types of housing, ensure that future development is consistent with the character and aesthetic of the town, minimize environmental impacts, and impacts on safety and the general welfare of citizens.
The majority (81%) of respondents live within Langley city limits, but some others lived elsewhere and owned businesses or property in Langley. Most had Langley addresses but were outside city limits. The vast majority lived in Island County.

Households spending more than the ideal 30% set by the U.S. Department of Housing and Urban Development (HUD) are considered “cost burdened.” According to the Island County Housing Needs Analysis from November 2017, 47% of Langley households are cost-burdened, also the highest in in the County. This statistic was not reflected in the survey, possibly because a large proportion of respondents were not sure what percentage of their income went to housing costs.

In all of Island County, renters are far more likely to be cost burdened than owners (50% vs 29%, respectively).
Are there enough housing options for homeowners?

Only 7% of respondents could say definitively that they believed that there was enough housing in Langley for buyers, which may indicate an extreme shortage. Most home vacancies are due to seasonal use. 27% of homes on South Whidbey are vacant due to seasonal or occasional use.

Many comments alluded to the fact that housing for buyers existed, but are being sold at a market price that many of the middle and lower income brackets cannot afford.

Entry-level homes such as small 1-2 bedroom units are also less common than larger 3-4 bedroom homes. The average family size is 1.8. Though family size is decreasing, home size is increasing. Smaller homes are useful for first time homebuyers as well as older individuals looking to downsize.

Langley Housing Survey Results

COMMENT SPOTLIGHT

No

“No, Who can afford it?? When a 900sq ft home goes for 500k.”

“No, the homes that are for sale are too expensive- can only be purchased by folks with $ from off-island.”

“No, Most (if not all) homes that come up for sale are offered at higher prices than most workers can afford.”

“No, Inventory of housing options is very low Part of the issue is we also have a very small city.”

“No, very few homes go on the market.”

“No, Single family dwellings in short supply- vacant homes/vacation homes.”

“No, Costs are too high for many middle income families.”

“No, the high costs of housing makes getting started very hard. Not good for our long term viability as a community.”

Yes

“Yes, at a higher level of income.”

Not Sure

“Don’t Know, People can and do work in Langley and live elsewhere.”

“Don’t Know, depends on their income. It’s not inexpensive to live in Langley or Island Co.”

5 December 2018
Are there enough housing options for renters?

Only 4% of respondents believed that enough housing was available to renters. One of the most common comments cited the high price of rentals relative to the minimum wage. In Island County, a household must earn at least $18.92 an hour to afford the average two-bedroom unit in Island County.

Langley also suffers from the “missing middle” phenomenon, in which medium density housing stock is not abundant. The majority of Langley’s housing is in the form of single family residences. A few shared-wall complexes exist such as Brookhaven and Saratoga Terrace, but few duplex, triplex, and townhouse units exist. 71.6% of Langley’s housing stock is in the form of SFRs while only 28.3% are multifamily units or flats above businesses. Worse yet, the construction of SFRs continues to outpace the construction of multifamily units.

**COMMENT SPOTLIGHT**

**No**

“No, WA is #8 on list of most out of reach states for renters. A renter needs to make almost $30 an hour to afford a 2BR. Salaries are low here.”

“No, I’ve seen maybe one place for rent since living here 3 yrs.”

“No, there is also a shortage of short term rentals/ hotels to support our tourism industry. This is just as important.”

“No, both necessary to keep full time residents on the island, prevent W.[hidbey]? from becoming bedroom/2nd home dominated. Full time residents are the backbone of community.”

“No, I know of several good rentals that recently got sold to 2nd home buyers. Seems like rentals are all Airbnb.”

“No, the City could use more rental housing. An apartment building could make a considerable difference.”

“No, All Whidbey does not have anywhere near enough housing for single people <$1000/month).”

“No, Rentals are few and most are over priced and homes are expensive and in bad shape.”

“No, Absolutely NOT. Minimum wage is $11.50 going up to $12. Do the math.”

**Not Sure**

“Not Sure, I think not, from what I have heard. It would be good to have affordable rentals, maybe put up by the city.”
Do you have friends or family with housing related issues?

**COMMENT SPOTLIGHT**

**Yes**

“Yes, Forced to move when rents increased or when converted to vacation rentals”

“Yes, Many friends-- both potential home owners as well as renters-- very difficult to find a market value affordable housing and housing that fits their needs, esp. smaller dwellings.”

“Yes, Someone I know lives next door to someone in her apartment complex who harasses her. She'd like to move but has no options.”

“Yes, grandchildren making 15-20 per hour can not afford current rent structures.”

“Yes, I have friends who have not been able to afford affordable houses to rent. Many say rental rates appears to be geared toward summer vacationers rather than long term lease holders.”

“Yes, high water prices!!”

“Yes, A number of people are being displaced after renting for long term due to sale or change in property use. Finding affordable housing isn't available.”

**No**

“No, none have had issues finding housing.”

**Not Sure**

“It seems to me there are many older single or coupled people in Langley who have large houses. This seems like an opportunity to remove barriers to adding additional living units within existing structures.”

This question was intended to get people to look past their own housing situations and share the situations of people they may know. About half of respondents said they knew of someone with housing difficulties. Most comments address issues about lack of housing affordability. A few mention that renters are displaced when a property comes up for sale or is converted to a short term rental.
Langley Housing Survey Results

**Are you an employer in the Langley city limits?**

![Pie chart showing 13% Yes, 87% No]

**If yes, do any of your employees have housing related issues?**

![Pie chart showing 17% Yes, 17% No, 66% Not Sure]

Although most survey respondents are not employers, 2/3 of those that are claim their employees have issues with housing. Many employers in Langley are restaurants, shops, and other service industry businesses. One respondent mentions that their employees receive $15 per hour but still struggle with rent.

**COMMENT SPOTLIGHT**

**Yes**

"Yes, lack of affordable housing is becoming a serious problem. Glad you are addressing."

"Yes, not currently, but as we hire more part time or seasonal staff housing will likely be an issue."

"Yes, our chef had to move to the east to get a better housing situation."

"Yes, We pay $15/hr but still our employees struggle to pay rent and live in fear of eviction due to month to month or short lease. We could lose them if this happens."

"Yes, Have 2 units and get lots of queries. Really sad that zoning is so restrictive. Know of many violations because need is great and laws are slow to respond."

"Yes, unable to find affordable housing for those in the service field!"

"Yes, living in a van, working on farm in exchange for housing, being exploited."

**No**

"No, employees live outside Langley."

"Not sure. One of my employees wants to sell her home and move into a small house in Langley."

"No, they live outside the City."

**Other/Not Sure**

"Need for pocket housing. The Langley rest pocket assortment- not one focus a shotgun housing solution."
ADUs (Accessory Dwelling Units)

Do you know of ADU related issues in your neighborhood?

- Yes: 11%
- No: 2%
- Not Sure/Other: 87%

*Examples of possible issues include noise, parking, STRs, appearance/landscaping etc.

Do you have an ADU?

- Yes: 14%
- No: 86%

Do any of your neighbors have ADUs?

- Yes: 6%
- No: 41%
- Other/Not sure: 53%

Comment Spotlight

No

"No, ADUs are often resisted by neighbors but have been successful in other locations. Especially when requirements for owner occupied main dwelling is enforced."

"No, Only possible issues are ADUs used as Airbnb or VRBO units->We live between 2 such situations and have only encountered a noise or disturbance once or twice in 2 years."

"No, Our daughter or other young workers live in our "ADU" since they cannot afford to rent on the island, even working 3 jobs each."

"No, When ADUs are used for long term rentals, they are an asset to the neighborhood. All/every young and/or low income folks to live here and enrich our community."

"No, I moved here to get away from the crowded city life. Please do not turn Langley into that. Unless you can actually control what may come- don't do it!"

Yes

"Yes, Costs and restrictions around ADUs can discourage them. Only one ADU per property [is] too restrictive-need rule that any ADU over 1 cannot be rented to multiple renters in a one month period."

"Yes, neighbors try and stop development."

"Yes, most rent out as Airbnb which takes away housing opportunity for local people."
Should the City allow more than one ADU on a property with an existing SFR?

The majority of respondents were in favor of allowing more than one ADU per property.

Many commenters were concerned that multiple dwellings on a single property would appear like shacks. However, design guidelines can ensure ADUs are designed to be cohesive with Langley’s character.

**COMMENT SPOTLIGHT**

**Yes**

“Yes, so long as the owners occupy the home or the home is rented out long term.”

“Yes, assuming that this can be done in ways that prevent the city from developing a "tent city" appearance of multiple "temporary" looking structures"

“Yes, Langley’s population density is far below even our peer towns in the US, which is notoriously sprawling. More housing in Langley!”

“Yes, this will help alleviate the rental shortage and provide housing for service industry workers, which is much needed.

“Yes, if they are used for long term rentals”

“Yes, it would increase the density. I heard of a suggestion with 2 ADUs and one had to be a long term rental. Good idea!”

“Yes, only if one attached and one detached.”

**No**

“No, Langley proper is a small area--please do not crowd it--people who work here can find housing in Clinton, Freeland, and Greenbank also.”

“No, seems like overcrowding.”

“No, unfair to neighboring homeowners—increased traffic, cars parked outdoors. In fact, City should regulate the number of mother-in-law units to a certain number per block or neighborhood.”

**Not Sure/Other**

“Maybe. Dependent on lot size, house size, sewer availability”

5 December 2018
Should the City allow multiple small dwelling units on one lot, i.e. a Tiny House Community?

Although most were in favor of this style housing, respondents were concerned about the appearance of these dwellings and the density that would result. Under the proposed code, only 1 tiny house per 1200 square feet would be allowed.

It was also posed that 150-300 square feet may not be enough for long term housing, and some were concerned it may be instead more likely to be used as short term housing.

**COMMENT SPOTLIGHT**

**Yes**

“Yes, If they are really used for long term rentals and not for Airbnb.”

“Yes, zoning and review must be in place to prevent the construction of unattractive ‘shacks’ and strict rules in place to prevent clutter, debris, and visible ‘storage’ outside.

“Yes, But parking should be limited both on site (so that it doesn’t look like a parking lot and it doesn’t increase impervious surfaces) and that parking doesn’t spill over on to public street space.”

“Yes, All should be subject to public review and then be registered and have an annual fee and yearly inspection, just like septic systems, etc. Perhaps even rental rates and insurance and ability for City to shut down.”

“Yes, Maybe not only detached but allow clusters of 2-3 attached with clusters of open also.”

“Yes, I think a village of tiny houses would be great, especially if there were ordinances abot green space and not a ‘trailer park.’”

**No**

“No, Would prefer multi-family apartments over individual dwelling units

“No, 300 square feet is not enough for long term housing.”

“No, not in city limits unless they are owner occupied only.”

**Maybe**

“Maybe. Issues of density and parking to be considered.”
BOARDINGHOUSES

Should the City make the approval process for boardinghouses easier?

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<tr>
<td>Not Sure</td>
<td>65%</td>
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This question drew a lot of confused responses, although the majority seemed to support it. Many people incorrectly assumed the definition of boarding house or said they didn’t know enough about the issue and the current process of approval.

A boardinghouse is defined as a single family dwelling rented to no more than 4 boarders on a long term basis.

The current process requires approval from the hearing examiner for all proposed boardinghouses.

COMMENT SPOTLIGHT

Yes

“Yes, a good alternative to build community and provide safe housing. Also can be a living for the property owner.”

“Yes, Cities used to have boarding houses for single men and women to receive meals-why not allow them to help singles find affordable housing?”

“Yes, Again we need more housing and housing choices. Any hypothetical “issues” can be dealt with later. They can’t be worse than our current crisis. We are in danger of losing our community due to lack of housing. VRBOs don’t make a community.”

“Yes, vital for our seasonal economy and the local businesses that have a chance to do well.”

“Yes, Of course must have oversight to prevent exploitation by landlords but yes, an important form of affordable housing.”

No

“No, I have lived in a 1 bedroom 1 bath apartment downstairs in the same size apartment, 3 families moved in. The men were urinating outdoors. The three families had mattresses all over. It was disgusting living conditions. Limit how many boarders a home can take in.”

“No, Too dense/# of people, traffic, parking, noise septic/ sewer use.”

Not Sure

“Not sure, There should be no intrusion of ‘owner’ occupied. Yes if want more rental (long term) housing for workers, w/ ‘short term’ restrictions. No if you want to discourage drug houses, short term rentals.”

5 December 2018
ST Rs (Short-Term Rentals)

Should the City place more restrictions on short term rentals?

- Yes: 7%
- No: 54%
- Not Sure: 39%

Do you have a short term rental?

- Yes: 5%
- No: 95%

Do you have a long term rental?

- Yes: 13%
- No: 87%

Few reported having a long term rental, and even fewer reported having a STR. A slight majority were in favor of further restrictions on STRs such as VRBO and Airbnb. Many suggested adding fees and licenses like other cities require. Others expressed their desire to have “real” neighbors with accountability living near them, not a community hollowed out by an abundance of STRs.

Langley Housing Survey Results

Comment Spotlight

Yes

“Yes, Vancouver BC is restricting their use. Check out their regulations.”

“Yes, yes to some, but limit the percentage or number. A lottery?”

“Yes, I want real people living near me. People who contribute and have some accountability. Not tourists.”

“Yes, Absolutely! This is the primary problem. Should do like Hood River and other vacation towns and limit number of Airbnb days allowed to rent out. This would most likely facilitate longer term rental available for locals.”

“Yes, but only with a special permit with approved rate, fee for inspections, ability to pull permit, and ideally central clearing office by some group or unit. Must be controlled.”

“Yes, Need to make sure all residents of HOA get notice; parking is a major problem in HOA and shared facilities.”

No

“No, Depends on the restrictions. My unit has no kitchen. Many seniors need the income.”

“No, more education about the effects of short term removing long term from the market. Leave owners in freedom.”

“No, I don’t think restricting short term rentals solves whatever problem you are trying to solve. The hotels on the island are very expensive. Short term rentals support the tourism industry. It is also how we make enough supplemental income to live on Whidbey.”

5 December 2018
City of Langley
STR Scan
Prepared by STR Helper 9/2018

Langley WA - Internet Listings

<table>
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<th>Source</th>
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<th>Multi-Family Residence</th>
<th>Private Room</th>
<th>Entire Residence</th>
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<td>45</td>
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Business Licenses by Year

- 2017: No Business License: 10, Business License: 30
- 2016: No Business License: 15, Business License: 25
- 2015: No Business License: 12, Business License: 9

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STR by Type

- 2015: Inn/Cottage: 5, Whole House/Condo: 10, Room: 5, ADU: 3
- 2016: Inn/Cottage: 10, Whole House/Condo: 15, Room: 10, ADU: 7
- 2017: Inn/Cottage: 15, Whole House/Condo: 20, Room: 15, ADU: 10
City of Langley
STR Scan
Prepared by STR Helper 9/2018

Langley WA - Internet Listings

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© Mapbox © OpenStreetMap
Short Term Rentals  
December 5, 2018

The draft vision and objectives were reviewed by PAB at its meeting on October 3 and November 7, 2018

DRAFT Vision

- Tourism continues to play an important role in Langley’s economy
- Fulltime residents outnumber seasonal residents and tourists
- Tourism and service workers live in Langley
- Long-term rentals outnumber short-term rentals
- The majority of short-term rentals are bedrooms or accessory dwelling units where the owner/manager lives there.
- A small percentage of whole homes are used as short-term rentals and the owner/manager lives in close proximity.
- The use of any one home as used as a short-term rental shall be of limited duration.
- All short-term rental operators and operations comply with the City and State Codes.
- The operation of unauthorized short-term rentals is enforced.

DRAFT Objectives:

Establish and manage a short-term rental regulation and program that
- Prevents residential neighborhoods from being turned into tourist areas to the detriment of full-time residents
- Does not negatively affect property values (and property tax revenue)
- Does not create pseudo hotels or “party houses”
- Minimizes public safety risks and nuisances such as noise, trash and parking problems
- Gives permanent residents the option to occasionally use their properties to generate extra income from short-term rentals.
- Maximizes the availability of potentially more affordable housing options by minimizing the numbers of long-term rental properties being converted into short-term rentals
- Ensures that short-term rentals are taxed in the same way as traditional lodging providers to create a level playing field and maintain local service jobs
- Ensures that the city does not lose out on lodging tax revenue that is invested in tourism related activities consistent with State code
- Is managed and enforced equitably across the City.
- Does not create an undue burden on City staff and resources.
- Builds in cost recovery.
Considering the above proposed Goals and Objectives and passed discussion...

1. Should the City of Langley restrict STR to owner occupy only?

2. If the City permits STR in whole homes and does not require owner occupy. Should the City restrict:
   a. The total number of this type of STR?
   b. The total number of homes rented by one operator?
   c. The total number of days that the home can be rented out
   d. Large group events or meetings, for example wedding parties?

3. Should STR be permitted in residentially zoned multi-family units?

4. Should operators have to pay a commercial utility rate?

5. Should a home occupation use be permitted as well as STR on a single property?

6. Should we establish a separate enforcement and fine structure for STR or rely on existing code?
Current Regulations

See Attachment No. 1 for LMC excerpts.

Possible Options for Short Term Rental

Short term rental I, II, III, IV on residentially zoned property (RS500, RS7200, RS15000 and Mixed Residential)

<table>
<thead>
<tr>
<th>Type of use</th>
<th>STR - Type I</th>
<th>STR- Type II</th>
<th>STR - Type III</th>
<th>STR - Type IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of bedrooms</td>
<td>2 bedrooms max in DU or ADU</td>
<td>Whole home</td>
<td>Whole home and ADU – max 6 bdrms</td>
<td>Whole home and ADU – max 6 bdrms</td>
</tr>
<tr>
<td>Number of guests</td>
<td>Two adults and child &lt; 6 years per legally established bedroom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration</td>
<td>No limit</td>
<td>Max 30 days/ year</td>
<td>No limit</td>
<td>Max 90 days/year</td>
</tr>
<tr>
<td>Management structure</td>
<td>Owner/resident manager</td>
<td>Manager within X minutes drive</td>
<td>Owner/resident manager</td>
<td>Manager within X minutes drive</td>
</tr>
<tr>
<td>Approval process</td>
<td>Administrative/notice</td>
<td>Administrative/notice</td>
<td>Hearing Examiner/notice</td>
<td>Hearing Examiner/notice</td>
</tr>
<tr>
<td>Inspections</td>
<td>Self-reporting, i.e. signed affidavit for fire, insurance, building</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities (monthly)</td>
<td>Residential</td>
<td>Residential</td>
<td>Commercial</td>
<td>Commercial</td>
</tr>
<tr>
<td>Septic</td>
<td>Confirmation of IC, Septic permit and # of permitted bedrooms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee Structure</td>
<td>$500</td>
<td>$500</td>
<td>$800 + HE costs</td>
<td>$1200 + HE costs</td>
</tr>
<tr>
<td>Maximum period</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>Five years</td>
</tr>
<tr>
<td>Number of permits</td>
<td>Unlimited</td>
<td></td>
<td></td>
<td>Max 50 permits/year</td>
</tr>
</tbody>
</table>

STR Type I – most similar to existing Bed and Breakfast Room

STR Type III – most similar to existing Bed and Breakfast Inn

Current Fees:
Bed and Breakfast room - $300
Bed and Breakfast Inn - $700 plus Hearing Examiner Fee approximately $2000
Business license - $125 full year & $60 seasonal business (valid for 90 days max)

Possible Regulations

Current code is identified by an *.

Definition

Short term rental means a commercial accessory use located in a dwelling unit and/or ADU which provide accommodation for a period of less than 30 days to the travelling public. (this needs work)
**Business license**
*Required for both operator and manager. Annual renewal.
All permits, operating rules and relevant City codes shall be displayed and available for inspection.

**Parking**
*Two stalls are required per home + one stall for each bedroom being rented.
All parking shall be on the subject property.

**Sign**
*One non-illuminated sign ≤ 4 SF.

**Food service**
Any owner/operator must self-report and provide confirmation that they have obtained necessary health permits/inspections. Food service to registered guests only.

**General**
STR permits are non-transferable. i.e. the permits run with the owner/operator and not the property.
A property owner (includes part owner, joint owner, tenant in common, can operate a maximum of one STR in the City of Langley.

**Enforcement**
More than two incidents, i.e. operating without a business license, a STR permit, renting out more bedrooms than permitted and you will not be able to get another permit.

Nuisance complaints such as noise, garbage, parking. More than three incidents – you will not be able to get another permit.

Ch. 18.42 Enforcement: details Mayor is responsible for enforcement; no licenses or permits will be issued until issue is resolved.
Ch. 18.46 Penalties: violation of any provisions in Ch. 18 subject to penalties outlined in Ch. 1.14.
Ch. 1.14 Process
1. Seek voluntary compliance
2. Issue notice of civil violation
3. Can appeal to Municipal Court

Maximum monetary penalty for each separate violation per day or portion thereof:
First day - $100
Second day - $200
Third day - $300
Fourth day - $400
Each day beyond four days - $500 per day
Can record a lien on the property for non-payment of penalties.
Legal non-conforming
To be legal non-conforming you must have received prior approval and have obtained a business license in 2018. A business license alone does not make the use legal non-conforming. You must have received prior approval.

Establish a grace period to register under new rules – 60 days after effective date or prior to expiration of a current business license for the STR, whichever occurs last.

Building Code
Requires additional safety features for short term rentals, i.e. CO2 alarm and fire extinguishers.
Require inspection or self-reporting.

Other Sections of LMC
Ch. 3.20 Transient Occupation Tax
3.20.010 Imposed.
There is hereby levied an excise tax of four percent on the sale of, or charge made for, the furnishing of lodging that is subject to tax under Chapter 82.08RCW, as authorized by RCW 67.28.180 and SSB 5867, enacted as Chapter 452, Laws of 1997, codified as RCW 67.28.181. The tax is made for the furnishing of lodging by a hotel, boarding house, tourist court, motel, or trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property. It shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. (Ord. 791 § 2, 2000; Ord. 783, 1999; Ord. 753 § 1, 1997; Ord. 750, 1997; Ord. 425, 1984)
Current LMC
Regulations for Transient Accommodation

Definitions

“Bed and breakfast inn” means a building or group of buildings on a lot which is designed or used for rental for transient lodging, where:

1. Not more than six rooms are available for such rental;

2. Breakfast is the only meal served to persons renting such rooms, and no meals are served to members of the general public; and

3. In the residential zone no other business, service or commercial activity is conducted or provided on the premises, except as expressly permitted by this title; and

4. No room is rented to more than an occupancy level not to exceed the number of persons accommodated by the beds present, based on their intended maximum usage.

“Bed and breakfast room (commercial)” means a room used for rental for transient lodging, situated in a building which is used primarily as a commercial establishment, where:

1. The persons renting such room are only served breakfast, and no meals are served to members of the general public; and

2. The room(s) are located above the first or street level or behind the street front side of the building.

“Bed and breakfast room (residential)” means a room used for rental for transient lodging situated in a building which is used primarily as the dwelling for a nontransient family, or, in the case where there is an approved accessory dwelling unit on the same property, the principal dwelling is owner-occupied, and where:

1. The persons renting such room are only served breakfast, and no meals are served to members of the general public;

2. No other business, service or commercial activity is conducted or provided on the premises, except as expressly permitted by this title; and

3. If the principal dwelling ceases to be owner-occupied, the bed and breakfast use shall be terminated.

“Hotel” means any building containing six or more guest rooms where lodging, with or without meals, is provided for compensation, where no provisions are made for cooking in any individual room or suite.

“Motel” means a building containing units which are used as individual sleeping units having their own private toilet facilities and sometimes their own kitchen facilities, designed primarily for the accommodation of transient automobile travelers. Accommodations for trailers are not included.

“Tourist accommodations – commercial” means a dwelling unit serving as a single rental for periods not exceeding 29 consecutive days and containing sleeping and cooking facilities.
18.22.070 Bed and breakfast rooms.

The following provisions apply to bed and breakfast rooms:

A. Not more than two rooms on the premises are utilized for bed and breakfast rooms;

B. Parking spaces for all guest vehicles shall be provided on the premises except in the central business zone pursuant to Section 18.22.130(M);

C. Only one business sign, having an area not more than four square feet, shall be located on the premises (except in the commercial zones);

D. No bed and breakfast room shall be rented to more than two persons;

E. The construction of the building in which the bed and breakfast room is situated and the operation of the bed and breakfast room shall comply with all applicable rules, regulations, ordinances, statutes and orders of the federal, state and municipal governments, or other duly constituted public authority, including, without limitation, local and state health and fire regulations, local business license, and building code requirements;

F. No other business, service or commercial activity is conducted or provided on the premises, except in one of the business-commercial zones;

G. Bed and breakfast room(s) are subject to administrative review by the city planning official. Notice shall be given to the owners of the property adjacent to the property that is the subject of the application. The notification shall be given in a manner designed to give the property owners notice of the application and sufficient time to comment on the application. The city planning official’s review shall include but not be limited to:

1. A determination that city regulations applicable to bed and breakfast rooms have been satisfied;

2. A determination that the bed and breakfast proposal contained in the application is compatible with the permitted uses in the residential zone.

The city planning official may attach such conditions to his/her recommendation that are reasonably required to ensure that the use of the rooms as bed and breakfast rooms will not be significantly detrimental to the public health, safety and welfare, will not diminish the value of nearby property, or will not disturb persons in the use of their property. (Ord. 1004 § 4 (Exh. E), 2014; Ord. 583, 1990; Ord. 527, 1989)

18.22.080 Bed and breakfast inns.

The following conditions apply to bed and breakfast inns:

A. A full-time manager shall be domiciled on the premises (except in the business-commercial zones);

B. Parking spaces for all guest vehicles shall be provided on the premises, except in the central business zone pursuant to Section 18.22.130(E)(12);

C. Only one business sign, having an area not more than eight square feet, shall be located on the premises;
D. The bed and breakfast inn shall be compatible with the character of the surrounding residential area (if applicable);

E. The construction and operation of the bed and breakfast inn shall comply with all applicable rules, regulations, ordinances, statutes and orders of the federal, state and municipal governments, or other duly constituted public authority including, without limitation, local and state health and fire regulations, local business license and building code requirements; and

F. No other business, service or commercial activity is conducted or provided on the premises (not applicable in business-commercial zones). Accessory dwelling units are excluded from being located on the same property with a bed and breakfast inn. (Ord. 798, 2001; Ord. 527, 1989)

18.22.085 Tourist accommodations – Commercial.

The following conditions apply to such accommodations:

A. Compliance with city business license regulations.

B. Limited to a single sign of not more than eight square feet and on premises.

C. Parking. Same requirement as for multiple residential as set forth in Section 18.22.130(D)(2).

D. Signed certification that the residence shall be maintained in a habitable condition and be subject to inspection by the city building official.

E. Cannot be both a B&B and single-family tourist accommodation.

F. Subject to administrative review. (Ord. 733, 1997)