STAFF REPORT

Meeting Date: July 10, 2018
To: Planning Advisory Board
From: Brigid Reynolds, Director of Community Planning
RE: Conditional Use Permit Application for a Short-Term Rental at 113 4th Street

Name of Applicant: Fred and Shannon McCarthy
Subject Property: 113 Fourth Street, Langley WA, 98260
Geographic ID: R32902-422-1260

Background
The City received a complete application on July 2, 2018 for a conditional use permit for the single-family residence on the subject property to be used as a vacation rental.

The property is zoned Residential Mixed (RM). Surrounding uses include: three townhomes to the east, single family residences directly north, south and west. Across Forth Street is the Brookhaven multi-family development.

The proposed use of a vacation rental of the whole house is most consistent with a ‘bed and breakfast inn’ which is a conditional use in the RM zone as per Ch. 18.09.

The property is 8,276 SF and the residence is a four-bedroom 1684 SF home. It is the middle lot located between two other single-family residences. Access to the three lots is on a private driveway off Forth Street. (See Attachment No. 1 for the subject property location)
There are three parking spaces located on the subject property.

No meals are proposed to be served.
No exterior improvements are proposed to accommodate the use as a vacation rental.

The property owner intends to use Vacasa rentals for the management company. Vacasa is a Portland based vacation rental management company with 31 vacation rentals on Whidbey Island. The property manager lives on South Whidbey Island and has worked in the tourism/hospitality industry for 25 years.

Municipal Code
The Langley Municipal Code (LMC) has not been amended to address changes to the types of vacation or short-term rentals available on the market today. The Planning Advisory Board has begun its review of the Municipal Code regarding short term rentals. LMC Ch. 18.36.150 gives the planning official the authority to interpret the meaning of application of Titles 16 and 18. As a result, the Director of Planning has determined that a short-term rental of the whole house as proposed in this application is
similar in nature to a ‘bed and breakfast inn’ as defined in Ch. 18.01.040 and regulated in Ch. 18.22.080. These chapters are located in Attachment No. 2 of this staff report.

A conditional use permit is subject to the requirements of LMC Ch. 18.28 and as per Ch. 18.36.040 requires a public hearing. Notice of the application and public hearing has been mailed to property owners and residents within a 500-foot radius of the subject property. The hearing is scheduled for Wednesday July 25 at 11 am in Council Chambers. As the comment period is open until July 19th the Director of Community Planning cannot make a determination for this application until the comment period has ended.

Ch. 18.28.030 states that “any condition reasonably required to allow the proposed use or activity to meet the standards of the required findings below may be imposed.”

The PAB is being requested to review this application as per Ch. 18.36.040 and provide a recommendation to the hearing examiner for his/her review and consideration for a final determination of this application.

Discussion
Consistency with Ch. 18.01.040 and 18.22.080 of the Municipal Code is examined below:

*Phrases in italics are excerpts from the Municipal Code.*

Not more than six rooms are available for such rental and 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.

The house has four bedrooms and three bathrooms. The application states that seven is the maximum number of guests that will be permitted at one time.

Breakfast is the only meal served to persons renting such rooms, and no meals are served to members of the general public;
As outlined in the application no meals are proposed to be served.

A full-time manager shall be domiciled on the premises.
The property manager will not live on the property but the applicant states that the property manager company, Vacasa, has 31 vacation rental properties on Whidbey Island and is well equipped to manage this vacation rental. The property manager is a South Whidbey resident with over 25 years experience in the hospitality and tourism industry who lives near Sunlight Beach.

Parking spaces for all guest vehicles shall be provided on the property
Three onsite parking spaces are available for use by guests. The driveway access is shared with adjacent neighbors and is narrow therefore parking must be carefully managed so neighbors parking is not impacted.

Only one business sign, having an area not more than eight square feet shall be located on the premises
One small sign less than 2 square feet is proposed to be posted for the vacation rental.

The bed and breakfast inn shall be compatible with the character of the surrounding residential area. There are no exterior improvements proposed as part of this application and therefore the character of the building will not change.

The surrounding uses are residential - three townhomes to the east, single family residences directly north, south and west. Across Forth Street is the Brookhaven multi-family development. The ongoing management of the vacation rental is key to minimizing the negative impacts to the surrounding residential neighbors. The application does not detail how potential negative impacts will be managed.

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.

The International Building Code does not establish a maximum number of persons that can reside in a single-family home.

As no meals are served Department of Health permitting is not required.

Should the use be approved possible conditions of approval could include obtaining a business license for the unit and the property management company, registering with the Department of Revenue for the collection of sales tax and lodging tax, and charging commercial rates for sewer and water utilities. Other conditions may be identified through the process.

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.

There is no indication in the application that any other business activity is proposed.

Options
The Planning Advisory Board may consider the following recommendations

1. To recommend approval as presented.
2. To recommend approval with conditions.
3. To recommend this application not be approved.
4. To not provide a recommendation.

Conclusion
The Planning Advisory Board is being requested to review an application for a conditional use to permit a vacation rental or 'bed and breakfast inn' on the property located at 113 4th Street. Notice has been provided to properties within 500 feet of the subject property. The final comment period ends on July 19th. A public hearing is scheduled for Wednesday July 25 at 11 am.
Attachment No. 1
Subject Property
Attachment No. 2
Municipal Code Excerpt

Ch. 18.01.040 defines “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.

Ch. 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.