

COMMUNITY DISCUSSION – SHORT TERM RENTAL REGULATIONS

OCTOBER 17TH 6:00 PM at the CIVIC
GARDEN CLUB.

Enjoy a brief presentation from Town Staff before splitting off into small groups to discuss short term rental regulations. Small groups will be given the opportunity to share the main takeaways from their discussion with the whole group at the end.

Short-Term Rentals

GOAL: **Maintain a balance to protect neighborhood integrity, while encouraging tourists to help maintain our tourism-based economy.**

Current Status

- Residential zone – Short-term rentals not permitted, except for Bed-and-Breakfasts, which are permitted by Conditional Use provided that the owner lives on the property.
- Commercial zone – Hotels, motels, and inns are permitted by right. Short-term rentals are not specifically defined in the LCMC, but any residential uses including guest houses, are permitted by Conditional Use.
- The code does not currently contain a specific definition of short-term rentals.

Proposed Definition:

Short-term rental. A short-term rental is the rental of a residential dwelling for a period of thirty (30) days or less.

Options:

- Residential zone:
 1. No change; leave regulations as they are.
 2. Loosen regulations to allow Bed-and-Breakfast businesses by right, instead of requiring a Conditional Use permit.
 3. Loosen regulations to allow homeowners to have short-term rentals for up to 30 days within any 12-month period.
 4. Loosen regulations to specify that short-term rentals are permitted by Conditional Use.
 5. Specify that short-term rentals are not permitted in the Residential zone.
 6. Tighten regulations by requiring owners of a Bed-and-Breakfast to live in the house; not just on the property.
 7. Require that a Bed-and-Breakfast cannot be owned by a trust, unless all trustees and trust beneficiaries live on the property.
 8. Require new Bed-and-Breakfasts to be approved by abutting property owners.
 9. Eliminate Bed-and-Breakfasts in the Residential zone.
- Commercial zone:
 1. No change; leave regulations as they are.
 2. Clarify the code to identify Bed-and-Breakfasts and short-term rentals as residential uses, permitted in the Commercial zone as Conditional Uses.

Discussion will be limited to the issue of short-term rentals. Any other issue raised will be saved for discussion at a later date. After 20-30 minutes of discussion, tables will be asked to summarize the issues they discussed for the entire room to hear. Those issues will be documented by the staff for later use in preparing code amendments.

Community Event Summary: Community Mingle on Short-Term Rental Regulations

On October 17th, 2023, La Conner's planning department invited community members to engage in small group discussions regarding short-term rental regulations in La Conner. The goal of this event was for staff to listen to community viewpoints on short-term rentals, and for community members to engage with each other on the topic of short-term rentals.

Planning Director Michael Davolio introduced the topic of short-term rental regulations. He reminded everyone present that the goal of short-term rental regulations is to "maintain a balance to protect neighborhood integrity, while encouraging tourists to help maintain our tourism-based economy."

After the introduction, the discussion began in small groups. After about an hour of small group discussion, each group shared a brief summary of their conversation.

Each of the following summaries represents the opinions of the community members that made up each group.

Group 1: This group shared that they would like to see no more short-term rentals in a residential zone. The definition of a short-term rental should be any residential unit that is rented for less than nine months. This group shared that they saw short-term rentals as a moral issue, with short-term rentals taking resources from long-term residence and community members.

Group 2: This group shared that they believe there should be a set of specifications that all short-term rentals must meet, if they are allowed in any residential zone. The short-term rentals should be required to provide off-street parking. Short-term rentals should not be allowed in tiny homes. This group was concerned about emergency vehicle access. This group stated a belief that the Town should work with developers to create family units.

Group 3: This group shared that their discussion included affordable housing, attracting families to La Conner, and home-owners who may wish to travel and rent out their home while doing so. They provided the RCW definition [RCW 64.37.010] of short-term rentals and stated that they discussed applying this definition to La Conner. They believe that there could be a very limited application of short-term rentals in residential zones in La Conner and this application should be based on the "suitability" of the structure, the ability to limit the number of permits in a block or neighborhood. Short-term rental permits should be renewed annually. The revenue from these permits could be used for enforcement.

Group 4: This group stated they had a wide-ranging discussion. Their concerns about short-term rentals included the ability to limit them, privacy concerns, and the impact on affordable housing. They stated that the people who need affordable housing are not using short-term rentals. They would like to see ways to limit short-term rentals, including requirement of owner occupation and enforcement.

Group 5: This group stated that they had a good general discussion of the pros and cons of short-term rentals. The concerns included losing housing inventory, the presence of VRBOs in residential areas, the loss of rentals for those who live and work in La Conner, an increase in crime, and a lack of parking. They stated that the benefits of short-term rentals could include income supplementation, and that short-term rentals provide opportunities for tourism.

By Ajah Eills on October 24, 2023

Group 6: This group stated that they had an extensive discussion, and came to the conclusion that the current regulations are sufficient and do not need to be updated. They inquired about the level of occupancy in La Conner hotels and motels throughout the year.

Moving forward, staff will use the feedback received from the community during this event to help craft language regarding short-term rental regulations. Once developed, the regulations will be brought to the Planning Commission for their recommendation, and then if recommended for approval by the Planning Commission, they will be brought to Town Council for final approval. Staff does not have a timeline yet as to when this will occur. Please subscribe to “Notify Me” on the Town’s website for notifications about the upcoming agenda for Planning Commission meetings.

MEMORANDUM

TO: Planning Commission
FROM: Planning Staff
SUBJECT: Short-term rentals
DATE: November 17, 2023

We are grateful for the large turnout at last month's "community mingle" event. This event encouraged a broad conversation on the subject of short-term residential uses in the community. As you know, this subject was first raised by the staff in 2022, and was ultimately put off until this year based on public requests that the town would enable a wider discussion of the issue.

Our current regulations do not define the term, "short-term rental," and there are no provisions that allow such use in our residential zone except for the conditional use provisions for bed-and-breakfast uses. The regulations in our commercial zones are ambiguous, and would benefit from more accurate wording.

Throughout the discussion of this topic, the staff has encouraged a balance between protecting the quality of life in residential neighborhoods, and enabling the stability of local businesses in La Conner's tourism-based economy. After fully considering the arguments on all sides of this issue, we recommend that little change be made in our current regulations. This means that short-term rentals would continue to be prohibited in the town's residential zone, with the continuing exception for bed-and-breakfasts. Short-term rentals would continue to be permitted (with better definition) in the commercial zone. We understand that there are some short-term residential uses currently located within the residential zone. If these uses were legally initiated, they would be considered as grandfathered uses and they would be allowed to continue.

The following are definitions currently contained in the La Conner Municipal Code. We will be reviewing these definitions to ensure consistency with any additional proposed revisions.

15.10.125 Bed and breakfast.

"Bed and breakfast" means a use carried on in a structure designed for residential purposes which provides overnight accommodations plus breakfast and occasionally family-style meals for guests, in an owner-occupied home that provides up to three rooms for this purpose. The occupying owner(s) must own a majority interest in the residence or a majority interest in the entity that owns the residence upon which the bed and breakfast is located. The bed and breakfast is not allowed to be located in a detached building accessory to the primary structure designed for residential purposes.

15.10.140 Boarding house, rooming house.

"Boarding house, rooming house" means a building or part thereof other than a hotel, motel, or restaurant where meals and/or lodging are provided for compensation, for one or more unrelated persons where no cooking or dining facilities are provided in individual rooms.

15.10.503 Guesthouse or guest rental.

“Guesthouse” or “guest rental” means a commercial use of a single-family dwelling unit, residential unit or boat rented on a daily or weekly basis (i.e., less than monthly rental).

15.10.525 Hotel, motel, or apartment hotel.

“Hotel, motel, or apartment hotel” means any building containing six or more guest rooms intended or designed to be used, or which are used, rented or hired out to be occupied, or which are occupied for sleeping purposes by guests.

The staff suggests adding the following definition:

15.10.1032 Short-term rental.

“Short-term rental” is a furnished, self-contained dwelling unit that is rented for a period of thirty (30) days or less.

In addition, the staff will continue to review the regulations contained in our existing code, and specifically within those sections that define our residential and commercial zones, to provide clarity.

MEMORANDUM

TO: Planning Commission
FROM: Planning Staff
SUBJECT: Residential coding changes
DATE: December 1, 2023

After the discussion around short-term rental regulations, examination of the La Conner code revealed discrepancies and outdated terminology regarding the definition of living spaces in La Conner. The following changes are designed to remove discrepancies from the La Conner code and clarify residential housing options. One of the main changes is the switch from the word "family" to the word "household." The use of the term "family" is often inaccurate to describe those living together in one dwelling unit, while "household" still includes those who refer to themselves as family, while also including those who live together but have different relationships, such as roommates. La Conner code already contained a definition of "household/housekeeping unit" added in 1995, but never standardized the rest of the code around this definition. This standardizing process is roughly 30 years over-do.

Another change is the removal of two terms: "Residence, single family detached (one dwelling unit/lot)" and "Multihousehold family residential building." Staff is suggesting the removal of both of these terms because they are extraneous definitions and structures falling under these definitions would be covered by "single household dwelling" and "multihousehold dwelling" respectively. These definitions in the code contribute to verbal and visual clutter, which makes it more difficult for citizens to interpret the code.

In addition to these changes, staff is recommending changes to Chapter 15.20 Residential Zone. The bulk of the changes include establishing multihousehold structures as permitted use in the residential zone. Multihousehold structures, with some exceptions, would be permitted by a certificate of authorization in the same process that single-household structures go through. This is in line with changes coming out of the state legislature to provide for more types of housing within residential zones. In addition, it is more consistent with LCMC 15.20.010 Purpose, and LCMC 15.20.020 General. It does not mean that the standards applied to multi-household housing will change. Other types of housing provided for in our code, such as multi-single-household detached residences, would be required to obtain administrative conditional use permits. Previously, although the definition for multi-single-household residences was included in the code, they were never permitted anywhere. Staff believes that this was an oversight that occurred in 1995, when the definition was added to the code. This type of development would be required to obtain additional permitting because of the complexity of the site plan would require additional scrutiny and consideration of cumulative impacts.

Changes to the Tiny Home provisions are also recommended in order to allow more creativity and flexibility for developers building tiny homes in La Conner. Staff welcomes feedback on these changes.

In undertaking this review, it was discovered that there was a gap in coverage within the code in addressing commercial rentals of rooms designed for travelers. Specifically, the provisions

around rental rooms with beds only (i.e. hotel rooms) were unclear and did not allow for buildings that rented rooms in this way to contain less than six units. By changing the required number of units to three and adding a requirement for an on-site manager, this gap in coverage is partially filled, and the town ensures that all new hotels will always have a manager present when guests are present. Changing the definition of “guesthouse or guest rental” by removing the phrase “dwelling unit” accomplishes two tasks: one, it removes the overlap with the definition of “short-term rental” and allows for up to two guest units to be rented without on-site management, and two, it completes the coverage in La Conner code as relating to rentable rooms and dwelling units in the commercial zone.

Applying the above changes to definitions results in proposed changes to Chapter 15.35 Commercial Zone in order to keep internal consistency. “Guesthouse/Guest Rental” would be moved to a permitted use, while “short-term rentals” would be added as a conditional use. This change is so an entrepreneur could rent any number of individual rooms depending on how they chose to use a structure, but the rental of living spaces that could support long-term occupancy (i.e. has a kitchen, bathroom, and sleeping area) is restricted by conditional use permit. This strikes a balance between protecting the quality of life in La Conner’s neighborhoods while enabling a tourism-based economy.

Proposed changes to Chapter 15.10 Definitions:

15.10.030 Accessory dwelling unit.

“Accessory dwelling unit” means an additional ~~living dwelling~~ unit, including separate kitchen, sleeping, and bathroom facilities, either within the primary residential dwelling unit, attached, or separate from the primary residential dwelling unit on a single-~~household~~ ~~family~~ lot. [Ord. 671 § 2, 1995.]

15.10.045 Adult family home.

“Adult family home” means a regular ~~single-household dwelling~~ ~~family abode~~ of a person or persons who are providing personal care, room, and board to more than one but not more than four adults who are not related by blood or marriage to the person or persons providing the services; except that a maximum of six adults may be permitted if the Washington State Department of Social and Health Services determines that the ~~single-household dwelling~~ ~~home~~ is of adequate size and that the ~~single-household dwelling~~ ~~home~~ and the provider are capable of meeting standards and qualifications as provided for by law (RCW 70.128.010). Adult family homes are a permitted use in all areas zoned for residential use (RCW 70.128.175). [Ord. 671 § 2, 1995.]

15.10.125 Bed and breakfast.

“Bed and breakfast” means a use carried on in a structure designed for residential purposes which provides overnight accommodations plus breakfast and occasionally family-style meals for guests, in an owner-occupied home that provides up to three rooms for this purpose. The occupying owner(s) must own a majority interest in the residence or a majority interest in the entity that owns the residence upon which the bed and breakfast is located. The bed and breakfast is not allowed to be located in a detached building accessory to the primary structure designed for residential purposes.

15.10.140 Boarding house, rooming house.

“Boarding house, rooming house” means a building or part thereof other than a hotel, motel, or restaurant where meals and/or lodging are provided for compensation, for one or more unrelated persons where no cooking or dining facilities are provided in individual rooms.

15.10.380 Dwelling unit.

“Dwelling unit” means an enclosure containing sleeping, kitchen, and bathroom facilities designed for and used or held ready for use as permanent residence by one **household family**. [Ord. 671 § 2, 1995.]

15.10.385 Dwelling, duplex.

“Duplex dwelling” means a detached building containing two dwelling units, each containing sleeping, kitchen, and bathroom facilities, and designed for and used or held ready for use by two **families households** living independently of each other. [Ord. 671 § 2, 1995.]

15.10.390 Dwelling, multihousehold family**.**

“Multi**household family** dwelling” means a detached building containing three or more dwelling units, each containing sleeping, kitchen, and bathroom facilities, and designed for and used or held ready for use by three or more **families households** living independently of each other. [Ord. 671 § 2, 1995.]

15.10.395 Dwelling, single-family **household.**

“Single-family **household** dwelling” means a detached building containing one dwelling unit with sleeping, kitchen, and bathroom facilities designed for and used or held ready for use exclusively by one **household family** and the household employees of that **household family**. [Ord. 671 § 2, 1995.]

15.10.503 Guesthouse or guest rental.

“Guesthouse” or “guest rental” means a commercial use of **room, residential unit, or boat intended or designed to be used, or which are used, rented or hired out to be occupied, or which are occupied for sleeping purposes by guests a single household family dwelling unit, residential unit or boat** rented on a daily or weekly basis (i.e., less than monthly rental). **A single building or lot can provide up to two guest rentals.** [Ord. 1126 § 2, 2015; Ord. 1040 § 5, 2010; Ord. 932 § 1, 2004.]

15.10.525 Hotel, motel, or apartment hotel.

“Hotel, motel, or apartment hotel” means any building **or lot** containing **three six** or more guest rooms intended or designed to be used, or which are used, rented or hired out to be occupied, or which are occupied for sleeping purposes by guests, **and which has an on-site manager available at any time guest rooms are occupied.** [Ord. 671 § 2, 1995.]

15.10.530 Household/housekeeping unit.

“Household/housekeeping unit” means a ~~single family, one person living alone, two or more families living together, or any other~~ group of related or unrelated persons who share a dwelling unit. [Ord. 671 § 2, 1995.]

15.10.622 Live-work building.

“Live-work building” means a building used jointly for commercial and residential purposes. The residential use shall be limited to one dwelling unit per leasable commercial space and the dwelling unit within the building shall be the primary dwelling of the person(s) operating the commercial use. [Ord. 1211 § 2(A), 2022.]

15.10.720 ~~Multihousehold family residential building.~~

~~“Multihousehold family residential building” means common wall residential buildings that consist of four or fewer dwelling units, that do not exceed two stories in height, that are less than 5,000 square feet in area, and that have a one hour fire resistive occupancy separation between units. [Ord. 671 § 2, 1995.]~~

15.10.827 Permanent supportive housing.

“Permanent supportive housing” means subsidized, leased housing with no limit on length of stay, paired with on-site or off-site voluntary services designed to support a person living with a disability to be a successful tenant in a housing arrangement, improve the residents’ health status, and connect residents of the housing with community-based health care, treatment, and employment services. [Ord. 1211 § 2(A), 2022.]

15.10.840 Planned residential development.

“Planned residential development” means a development constructed on a tract of at least one acre under single ownership, planned and developed as an integral unit, and consisting of ~~single-household family~~ detached residences combined with either ~~two-household family~~ residences or ~~multihousehold family~~ residences, or both. [Ord. 671 § 2, 1995.]

15.10.965 Residence, primary with accessory apartment.

“Primary residence with accessory apartment” means a residential use having the external appearance of a ~~single-household family~~ residence but in which there is located a second dwelling unit that comprises not more than 25 percent of the gross floor area of the building nor more than a total of 750 square feet. [Ord. 671 § 2, 1995.]

15.10.970 Residence, multi-single-~~household family~~ detached (more than one dwelling unit/lot).

“Multi-single-~~household family~~ detached residence (more than one dwelling unit/lot)” means a residential use consisting of two or more ~~single-household family~~ detached dwelling units on a single lot. [Ord. 671 § 2, 1995.]

15.10.975 Residence, single ~~family~~ detached (one dwelling unit/lot).

~~“Single family detached residence (one dwelling unit/lot)” means a residential use consisting of a single detached building containing one dwelling unit and located on a lot containing no other dwelling units. [Ord. 671 § 2, 1995.]~~

15.10.1000 Retirement home.

“Retirement home” means an establishment providing domestic care for elderly persons who are not in need of medical or nursing treatment except in the case of temporary illness. This definition does not include nursing, convalescent or rest homes, hospitals, or sanitariums. [Ord. 671 § 2, 1995.]

15.10.1005 Retirement apartments.

“Retirement apartments” means a multi~~household~~ ~~family~~ residential development designed and developed for exclusive use by senior citizens, as defined by the most recently adopted state law. [Ord. 671 § 2, 1995.]

15.10.1032 Short-term rental.

~~“Short-term rental” is a furnished, self-contained dwelling unit that is rented for a period of thirty (30) days or less.~~

15.10.1180 Supported living arrangement.

“Supported living arrangement” means a ~~living~~ ~~dwelling~~ unit owned or rented by one or more persons with functional disabilities who receive assistance with activities of daily living, instrumental activities of daily living, and/or medical care from an individual or agency licensed and/or reimbursed by a public agency to provide such assistance. [Ord. 671 § 2, 1995.]

15.10.1197 Tiny home.

A “tiny home” is a single~~household~~ ~~family~~ residential dwelling ~~unit~~ measuring not more than 700 square feet in total area, to be used as permanent housing with permanent provisions for living, sleeping, eating, cooking, and sanitation, built in accordance with the state building code. A tiny home may be constructed on site, or constructed off site and moved to a permanent location. ~~Tiny homes must be built or placed on a permanent foundation.~~ [Ord. 1222 § 2, 2023.]

15.10.1198 Townhouse.

“Townhouse” means a one~~household~~ ~~family~~, ground-related dwelling ~~unit~~ attached to one or more such ~~dwelling~~ units in which each ~~dwelling~~ unit has its own exterior ground-level access to the outside; no ~~dwelling~~ unit is located over another ~~dwelling~~ unit; and each ~~dwelling~~ unit is separated from another unit by one or more vertical common walls. Typically, the ~~dwelling~~ units are multistory. [Ord. 877 § 5, 2003.]

15.10.1204 Transitional housing.

“Transitional housing” means a project that provides housing and supportive services to homeless persons or families for up to two years and that has as its purpose facilitating the movement of homeless persons and families into independent living. [Ord. 1211 § 2(A), 2022.]

Proposed changes for chapter 15.20 Residential Zone:

15.20.020 General.

(1) Residential uses include single-~~household~~ ~~family~~ dwellings, accessory dwelling units, multi~~household~~ ~~family~~ dwellings in a variety of housing types, modular and manufactured housing, and adult family homes. Recreational vehicles are not permitted in any zone as a residential use.

15.20.030 Permitted uses.

The following uses and structures are permitted in an RD Zone by certificate of authorization:

- (1) One single-~~household~~ ~~family~~ dwelling unit per lot;
- (2) One duplex dwelling per lot;
- (3) One multihousehold dwelling per lot;
- (4) One townhouse per lot;
- (5) One factory-built/manufactured home per lot;
- (6) One accessory dwelling unit – See LCMC 15.110.080;
- (7) Adult family homes/supported living arrangements;
- (8) Accessory uses and structures normally incidental to primary dwelling units – see Chapter 15.110 LCMC. [Ord. 1191 § 2 (Exh. A), 2020; Ord. 671 § 3.2.C, 1995.]

15.20.055 Administrative conditional use permits.

The following uses and structures are permitted in the RD Zone with an administrative conditional use permit (Type II permit):

- (1) ~~Multifamily residential units or apartments;~~ ~~Multi-single-household detached residences;~~
- (2) ~~Multiple multihousehold dwellings, duplexes, or townhomes per lot, subject to all other provisions of this code;~~
- (2) Retirement apartments for senior citizens;
- (3) Rooming houses, boardinghouses, bed and breakfasts. [Ord. 1191 § 2 (Exh. A), 2020; Ord. 963 § 5, 2005; Ord. 901 § 4, 2003.]

15.20.060 Single-~~household~~ ~~family~~ dwelling units – Dimensional standards.

15.20.090 Multi~~household~~ ~~family~~ dwelling unit standards.

(7) All dwelling units in multi~~household~~ ~~family~~ structures shall be equipped with a fire sprinkler system. [Ord. 1211 § 2(A), 2022; Ord. 1197 § 2 (Exh. A), 2021; Ord. 1077 § 3, 2012; Ord. 986 § 8, 2007; Ord. 938 § 2, 2004; Ord. 889 § 1, 2003; Ord. 671 § 3.2.I, 1995.]

15.20.100 Tiny home standards.

These standards shall apply to the construction of single-household family homes of 700 square feet or less.

(1) Minimum lots size and maximum density requirements do not apply; provided, that not more than 70 percent of the development is covered with impervious surface. **Tiny homes may be attached in groups no larger than four tiny homes. Attached tiny homes must be sprinkled and may have other fire provisions as decided by the fire chief.**

(2) Parking. A minimum of one off-street parking space shall be provided per dwelling unit.

(3) All tiny homes shall be placed on permanent foundations. [Ord. 1222 § 2, 2023.]

Proposed Changes to Chapter 15.35 Commercial Zone:

15.35.020 Permitted uses.

(26) Guesthouse/Guest Rental – Residential Dwelling Units Rented as Guesthouse.

15.35.030 Conditional uses.

(8) Guesthouse/Guest Rental – Residential Dwelling Units Rented as Guesthouse. The guesthouse residential unit must also comply with all the provisions of this code that pertain to residential conditional uses in the Commercial Zone;

(89) Churches; provided, that all structures are set back at least 25 feet on all sides from abutting property lines and abutting residential zones; and provided, that church use is not allowed in the Commercial Zone portion of the Historic District listed on the National Historic Register, which includes Commercial Street, South First Street, Washington Avenue and the western side of South Second Street; and provided, that all parking requirements must be met. The church use does not qualify for “in-lieu-of” fee.

(9) Short-Term rentals. The short-term rental unit must also comply with all the provisions of this code that pertain to residential conditional uses in the Commercial Zone.