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City of Langley
PLANNING ADVISORY BOARD
MINUTES
FEBRUARY 6, 2019
LANGLEY CITY HALL
112 2nd Street, Langley WA

ATTENDANCE

Board: Thomas Gill, chair; JR Fulton; Rhonda Salerno; Tucker Stevens; Maralie Johnson

Regrets: Burt Beusch

Staff: Brigid Reynolds, Director of Planning; Jill Needham, Planning Assistant

Mayor Tim Callison

1. Call to Order

The meeting was called to order at 3:00 PM

2. Approve agenda

The agenda was approved.

3. Approve minutes

The minutes of the January 2nd meeting were approved.

4. Discussion Items:

a. Ethics Code training follow up

As a follow up to the ethics training by the Ethics Commission, Mayor Tim discussed the current ethics code for Council and citizen boards and the State ethics code. A conflict of interest is when an official, employee, consultant, volunteer, or vendor that, due to a duty to more than one person or organization, could use their position or office to take or fail to take action, or influence others in such a way that may result in financial gain for themselves or a related party. For issues that effect a large number of people equally (class exemptions), commission members and councilmembers may speak freely on the matter. For issues with a narrower scope that may only affect a small number of people (such as zoning one property), the code requires commission/board members to recuse

themselves by declaring their conflict of interest and withdrawing from the discussion by leaving the room.

Brigid clarified that for Comp Plan amendments, STR code amendments and other amendments that will affect all citizens equally, it is not necessary for board members to recuse themselves.

JR Fulton asked if a potential housing project may present a conflict of interest. Rhonda expressed her discomfort with JR's involvement as both a developer and a PAB member. Mayor Tim reiterated that all discussions are public, open and therefore transparent. When asked, the Ethics Board will review concerns regarding board members' possible conflicts of interest and provide an advisory opinion.

Rhonda also expressed concern about not making Tiny Home neighborhoods a conditional use in low density zones such as RS15000. Staff reaffirmed that each board member may state concerns about a particular action or direction but if the final decision differs from a board member's view on the matter that is not an ethical matter or conflict of interest.

b.Short Term Rentals

Brigid began the discussion by asking about establishing time limits for whole house STR and gave examples of other jurisdictions that have set duration limits for STRs, e.g. 90 days out of the year. The intent is that by limiting the duration more property owner may consider offering long-term rentals. A local realtor and property manager present at the meeting conveyed that setting a duration limit would severely limit tourism. She proposed that the city prohibit realtors to not sell homes to individuals looking to buy second homes or use them solely as STRs.

Issues regarding limiting the duration of anyone STR were discussed as follows:

Thomas Gill expressed support for a 90 day or even 60 day per year duration limit. JR conveyed he would prefer to see housing used rather than unused. Tucker agreed an unlimited number of days would be ideal. Rhonda believed that without a duration limit per year, long-term rentals would not be incentivized.

Although both JR and Rhonda strongly support creating a fund for affordable housing, Brigid questioned its efficacy as Langley has a small population and funding accrual would take a long period of time. Members discussed that if an affordable housing fund was created residents might be willing to donate to it.

Because some common ground was established among PAB members for hosted and unhosted STRs, Brigid moved the discussion to potentially limiting the number of STRs allowed in Langley city limits.

Thomas supported limiting the number of unhosted STRs, with unlimited days to rent. Rhonda disliked the unfairness of limiting the number. She worried it would remove the incentive to build ADUs.

Maralie: Supported limiting the number the STRs. She thought it would be the most efficient way to free up housing for minimum wage workers and curb potential noise problems.

Tucker: Conveyed that the houses used as STRs are often large and therefore unaffordable to low wage workers if rented long-term.

He suggested each member share their position on limiting number vs duration.

Tucker: Would not limit number of days per year but rather overall number.

Rhonda: Cited that the current code does not allow unhosted STRs. She suggested a rent cap based on square footage as she sees many tiny houses still unaffordable for many. Although she was against the idea of unhosted STRs entirely, 30 days per year would be acceptable.

JR: Clarified that STRs are not allowed in multifamily tiny house developments pursuant to the new code.

Maralie: Expressed support for severe limits to duration and number. Noise and parking may become problematic if too many are allowed.

JR proposed opening it up to everyone and establishing a high upfront charge (\$20,000) in order to operate. Langley citizen and realtor was concerned that limiting the duration would be unfair to those that already paid for vacation rental insurance and make their properties unprofitable.

Several members asked for the most accurate estimate of STRs within Langley city limits. It was estimated to be between 25 and 50 out of all ~765 homes in Langley.

The realtor in the audience mentioned two houses on Sixth Street that could potentially be torn down and replaced with a condo or apartment building. Brigid clarified that this would not be possible without first rezoning the property as it is zoned single family. The realtor contended that because building had stopped abruptly during the recession (and still has not returned to pre-recession levels), the best way to increase affordable housing units is by building an apartment or condo.

Tucker reviewed the options for regulation:

- Limit number of days per year, not number of unhosted STRs
- Limit number of unhosted STRs, not number of days per year
- Ban unhosted STRs entirely

The realtor in the audience mentioned that a “grandfathering” process would need to be introduced for existing, legal STRs

Tucker asked if common ground could be achieved among the PAB.

Rhonda: Disliked limiting the number of STRs via a lottery system.

Maralie: Concerned that a maximum of 10% STRs in Langley would be too many.

Thomas: Conveyed the need for finding the true number of STRs in Langley at the moment. From there a maximum percentage could be established that would be adjusted accordingly as the city grows. Therefore, reducing the need for constant revisions. Rhonda agreed.

The realtor reminded the board that June 15 through September 15 are her busiest season. Only a few other weekends outside of summer experience high rental traffic. JR asked her for an estimate on the number of days a typical STR will book per year. She replied that each house is different and that downtown Langley will likely never be an affordable place to live.

Tucker asked if the board would be amenable to approximately 15 homes with an unlimited duration limit.

Maralie: Preferred a 90 day per year limit.

JR: Supports no restriction on number of days.

Tucker: Prefers unrestricted in both a limited number scenario and an unlimited number scenario.

Rhonda contends the only way to truly have affordable housing in Langley is to build a fund and build the housing. Brigid is unsure of the legality of an additional tax on STRs imposed by the City being deposited to an affordable housing fund. King County supposedly directs a fraction of their lodging tax revenues to affordable housing. Thomas stated that the tourism tax on hotels and motels can only be used for tourism, not such things as STR compliance or enforcement.

Rhonda asked Brigid if she knew how other cities have limited the number of days per year or number of units. She reported a couple of jurisdictions that she's researched have established a cap on the numbers of permits and new ones are selected via a lottery system.

Brigid also clarified that "grandfathering" is not a legal term but "legal non-conforming" is the correct term. A use or structure must have been legally established or permitted and then the zone or other regulation changed such that it would no longer be permitted. Because unhosted STRs are not permitted in the current code, many STRs would not be considered legal non-conforming.

Tucker asked if Cannon Beach was achieving their goal by limiting the number of permits. Brigid said that method is a harder to enforce. However, with a compliance company, trends can be mapped long term. Owners can also be asked to provide stats

for their rentals. Although Cannon Beach was aiming to retain their community's character, it is still too early to tell if they are achieving their specific goals.

Brigid mentioned that fees and fines also need to be addressed. Fees must cover administrative and enforcement costs and fines need to be a sufficient deterrent.

Thomas expressed that full time STRs should be subject to commercial utility rates. Brigid said she has been speaking with Randi about that.

PAB members reached consensus on the following:

- Establish a cap on the number of unhosted STRs possibly based on the existing number of operators in the City.
- Property owners should be limited to one STR.
- There should be no duration limit.

c. Building Inspection Services

Brigid explained that the City's contract with BHC for building inspection services is coming to an end. She has been working to fill this vacancy and has been talking with Island County about entering into an intergovernmental agreement for these services. Some internal matters need to be resolved before that can happen and city staff is working on this.

Rhonda expressed that priority should be given to someone local. However, it may be difficult to find a candidate with an adequate skillset for part time work.

5. New Business

Rhonda supports creating an Affordable Housing Fund to be funded by a combination of donations and fees.

JR proposed to go to the Washington State Building Code Council in support of adopting Appendix Q. Appendix Q creates building code methodology for lofts, ladders, and compact stairs for buildings under 400sf. He mentioned three bills in the State Senate and House.

All were in favor of JR supporting Appendix Q at the State Building Code Council.

6. Citizen comments

There were no citizen comments.

7. Announcements

There were no announcements

8. Adjourn

The meeting was adjourned at 4:46 PM

9. Next Regular Meeting March 6, 2019.