# JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS

# AGENDA REQUEST

**TO:** Board of County Commissioners

Mark McCauley, County Administrator

**FROM:** Josh D. Peters, AICP, Community Development Director

Brent A. Butler, AICP, Chief Strategy Officer Greg Ballard, Development Code Administrator

**DATE:** March 17, 2025

SUBJECT: HEARING and POSSIBLE ACTION re: Amendments to Jefferson County Code

regarding Short-Term Rentals (STRs)

## STATEMENT OF ISSUE:

The Board of County Commissioners (BoCC) adopted Ordinance 03-0610-24 on June 10, 2024, thereby establishing a moratorium on acceptance and processing of development permit applications for Short-Term Rentals (STRs, rentals for less than 30 days), as regulated under Title 18 of the Jefferson County Code (JCC). As a part of the approved work plan, the Planning Commission (PC) held a public hearing on February 5, 2025 and deliberated on the record during the February 19, 2025 regular meeting. The BoCC held a workshop on March 3, 2025 to review the PC recommendation and chose to hold its own public hearing. In that workshop, the Board approved a notice of public hearing for March 17, 2025, 10:30 AM. The hearing notice was published in the March 5 and 12 editions of *The Leader* newspaper. The Board may deliberate and take action on the STRs directly after the hearing. Staff has also arranged for STR deliberations on the Board's March 24 agenda, beginning at 2:00 PM.

The PC Chair invited three Planning Commissioners to represent the PC as to the PC's recommendation during the presentation portion of the hearing.

The moratorium expires on April 7, 2025, though it may be lifted sooner, along with establishment of updated STR development regulations.

Attachments to this Agenda Request:

- 1. PC-recommended ordinance with cover letter (February 25, 2025)
- 2. Staff-recommended ordinance (March 14, 2025)
- 3. Comparison between PC and DCD recommendations (March 14, 2025)

## **BACKGROUND:**

The following background information is repeated from the March 3, 2025 Agenda Request concerning STRs.

The BoCC has determined that development regulations for STRs should be evaluated for potential amendment. The PC recommendation reflects the requested revisions to the JCC arising out of regularly

scheduled May 15, July 3, July 17, and December 4, 2024 meetings to regulate STRs.

A primary focus of these revisions is to enact provisions of state laws, including the State Building Code and RCW 64.37 Short-Term Rentals, and includes the following aspects:

- Add new terms to the county's official list of definitions;
- Proposed enforcement approach;
- Maximum number of STR land use approvals or "cap";
- Primary residence requirement; and
- Exemptions, when applicable.

Prior to the PC public hearing on February 5, notice was duly posted on January 22. When formulating their recommendation on February 19, the PC incorporated the following changes from the January 22 version of the proposed ordinance:

- Table 3-1 in Appendix C is altered as follows:
  - o STRs with five or fewer guest rooms and STRs with more than five guest rooms. [The earlier version had said six or fewer guest rooms.]
  - o Move STRs with more than five guest rooms from residential uses to commercial uses
  - Change the level of review from C(a) to C(d) [conditional administrative to conditional discretionary]. This applies only to more than five guest rooms.
- 18.20.210 (3) and (4) in Appendix D is altered to read: Short-term rentals with five or fewer guest rooms and short-term rentals with more than five guest rooms. It currently states six rooms.
- Changed the proposed cap from 3% to 4%, using Office of Financial Management (OFM) data.
- Other changes made live at the meeting, including:
  - o Subject to the established maximum numbers of STRs, rentals for less than 30 days are permissible where the landowner is a resident of Jefferson County and the landowner or a qualified representative is in Jefferson County during the entire rental period.
  - STR permits shall only be valid for three years for permit holders whose primary residence is not on site.
  - Legal non-conforming housing units (sometimes called grandfathering) shall not be included under 18.210(3) and (4), but must:
    - (a) At a minimum, prior users must demonstrate that the current use is essentially the same as before July 10, 2006 (when JCC 18.20.210 was adopted); and
    - (b) Even if prior use is established, it must meet life safety requirements, state requirements, i.e., 64.37 RCW & licensing requirements regardless of grandfathering.

Note that the PC recommendation does not propose any changes to regulations governing rentals for less than 30 days in outdoor areas more commonly associated with tent-camping. In coordination with Environmental Public Health, an examination of that issue is anticipated through a future policymaking process.

## **ANALYSIS:**

The DCD staff has reviewed the PC recommendation and prepared the attached staff recommendation for the BoCC's consideration. The proposed amendments aim to align with Resolution 17-19 on regulatory reform, specifically addressing the regulation of short-term rentals. The staff recommendation also includes a comparative analysis of the PC's recommendation. Key proposed modifications are as follows:

- Clarify that the level of review is dependent upon the number of guest rooms and total occupants (i.e., administrative v. discretionary conditional use process).
- Require all parking spaces to be located on-site.
- Allow one on-site identification sign, not exceeding four square feet.
- Limit STR operators to one STR, requiring applicants to sign a declaration confirming they are not associated with any other STR in unincorporated Jefferson County. (DCD will update the STR application form accordingly.)
- Remove the Jefferson County residency requirement.
- Clarify the criteria for "grandfathered" uses (i.e., legal, nonconforming) and allow a 90-day grace period for STR operators to obtain proper permits before enforcing the 4% cap.
- Add a conflict provision specifying that, in cases of conflict between local ordinances and state law, the provisions of Chapter 64.37 RCW shall prevail.

The staff recommendation has been reviewed by the Prosecuting Attorney's Office. Please note that the staff-recommended ordinance reflects only proposed changes to existing code (i.e., not changes made to the PC recommendation).

## **FISCAL IMPACT/COST-BENEFIT ANALYSIS:**

The General Fund supports this planning process. No significant fiscal impact from the decision to hold a public hearing, other than the fee charged by the newspaper of record.

# **RECOMMENDATION:**

Conduct the public hearing on March 17, 2025, at 10:30 AM, deliberate, and potentially take final action on the proposed amendments to Jefferson County Code regarding Short-Term Rentals (STRs). The Board may choose to initiate or continue deliberations on March 24, 2025. The Board could also choose to keep the public hearing open to a certain date and time beyond March 17, whether for written testimony only or continued to 2:00 PM on March 24 for oral testimony, as well. If the Board is inclined to extend written testimony, staff recommends that the deadline for written testimony be closed by Friday, March 21 to give the Board and staff time to study any additional written testimony prior to the Board meeting on March 24.

## **REVIEWED BY:**

Mark McCauley, County Administrator

3/14/25 Date

# DEPARTMENT OF COMMUNITY DEVELOPMENT

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Richard Hull, PhD Chairman Jefferson County Planning Commission 621 Sheridan Street Port Townsend, Washington 98368 February 20, 2025

Chair and Members of the Jefferson County Board of County Commissioners Jefferson County Courthouse 1820 Jefferson Street Port Townsend, Washington 98368

Dear Chair Eisenhour and Members of the Board:

I have attached the Planning Commission's recommendation to improve the Short-Term Rental regulations, arising out of a moratorium that necessitates an exception to the annual amendment process. Attached to this letter is a copy of the ordinance approved by the Planning Commission at their regular February 19, 2025 meeting.

After a series of workshops in each of the Board of County Commissioner Districts in 2024, public outreach through press releases and a duly noticed public hearing on February 5, 2025, documented in the "WHEREAS CLAUSES" of the attached ordinance, the Planning Commission reached a final decision on recommended updates to Short-Term Rental regulations. The Planning Commission recommends Unified Development Code text amendments, as more fully set forth in the attached ordinance that reviewed criteria related to growth and development, capacity of the county to provide adequate services especially with regards to enforcement, demand and need for short-term rentals (STR) and long-term housing, and the validity of county-wide attitudes and circumstances regarding STRs.

Please do not hesitate to reach out to the Planning Commission with any additional questions.

Warm regards,

Richard Hull, PhD

Chairman, Jefferson County Planning Commission

# STATE OF WASHINGTON COUNTY OF JEFFERSON

ORDINANCE	

**WHEREAS,** the Washington Constitution, Article XI, Section <u>11</u>, confers upon county legislative authorities the police power to adopt regulations necessary to protect the health, safety, and well-being of its residents; and

**WHEREAS**, RCW <u>36.32.120(7)</u> provides that the county legislative authorities shall make and enforce, by appropriate resolutions or ordinances, all such police and sanitary regulations as are not in conflict with state law; and

**WHEREAS**, police power is that inherent and plenary power which enables prohibition of all things hurtful to the comfort, safety and welfare of society; and

**WHEREAS**, the scope of police power is broad, encompassing all those measures which bear a reasonable and substantial relation to promotion of the general welfare of the people; and

WHEREAS, homelessness and housing affordability directly and indirectly impact the health, safety, and well-being of county residents and continues to present local, regional, and national challenges arising out of many social and economic factors; and

**WHEREAS,** Jefferson County enacted several measures to address the shortage of affordable, transitional, supportive, and emergency housing; and

WHEREAS, in 2017, the Jefferson County Board of County Commissioners adopted Resolution No. 35-17 to declare that an emergency exists with respect to the availability of housing that is affordable for those households earning 80 percent or less of the Jefferson County median family income, which the U.S. Department of Housing and Urban Development identifies as "low income;" and

WHEREAS, as identified in the 2019 Jefferson County Community Health Assessment Report: Summary Findings, the lack of affordable housing continues to present local challenges, especially for older adults, young families, and the working class; and

WHEREAS, in Resolution No. <u>63-19</u>, the Jefferson County Board of Commissioners adopted a Five-Year Homeless Housing Plan, *Making Homelessness a Singular Occurrence – Homelessness Crisis Response and Housing Five-Year Plan for Jefferson County*, "to establish a long-term, systematic effort to address the homelessness and affordable housing crisis through a data focused vision for Jefferson County;" and

**WHEREAS,** Jefferson County adopted Ordinance No. 11-1221-20, imposing a sales and use tax for affordable housing and supportive services, in accordance with House Bill <u>1590</u> (chapter 222, Laws of 2020) and RCW <u>82.14.530</u>, to address the local challenge presented by homelessness and declining affordability; and

**WHEREAS,** Jefferson County adopted Ordinance No. 05-0613-22 related to the siting, establishment, and operation of temporary housing facilities for unsheltered and unhoused individuals and families in unincorporated Jefferson County to address the local challenge presented by homelessness and declining affordability; and

WHEREAS, Jefferson County adopted Ordinance No. 04-1009-23 referenced as the Commercial Property Assessed Clean Energy and Resilience (C-PACER) Program to reduce the debt servicing costs associated with commercial property improvements and construction including multifamily structures with five or more dwelling units to incentivize multifamily construction, rehabilitation, and repair to implement sustainable practices; and

**WHEREAS**, Jefferson County in partnership with the City of Port Townsend and the Housing Fund Board identified sites for transitional, supportive, and emergency housing, such as Caswell-Brown Village, to create an emergency shelter to address the foregoing challenges; and

WHEREAS, the Board of County Commissioners amended the Port Townsend Urban Growth Area (PTUGA) boundary via Ordinance No. 09-1209-24 to provide for transitional, supportive, and emergency housing including, among others, the Caswell-Brown Village site to accommodate continuum-of-care special purpose housing to address the foregoing challenges; and

**WHEREAS,** in partnership with the City of Port Townsend, Jefferson County advanced new affordable housing opportunities in 2024 through pre-approved residential building plans, where sweat equity, energy efficient designs, and expedited permitting may reduce housing costs to partly address the lack of housing; and

**WHEREAS**, the Jefferson County Comprehensive Plan contains a Housing Action Plan as Exhibit 3-7<sup>2</sup> that identifies the need to "evaluate short-term rentals to ensure such uses do not

<sup>&</sup>lt;sup>1</sup> https://www.co.jefferson.wa.us/DocumentCenter/View/19190/20191104\_Jefferson\_CHA-Summary-Report\_2019\_v2, Accessed January 5, 2025.

<sup>&</sup>lt;sup>2</sup> See: <a href="https://www.co.jefferson.wa.us/DocumentCenter/View/18001/Jefferson-CP-2018\_12">https://www.co.jefferson.wa.us/DocumentCenter/View/18001/Jefferson-CP-2018\_12</a>, at 3-19 Accessed January 5, 2025.

further restrict the housing supply for year-round residents" as one of six bulleted tasks to remove potential barriers to housing; and

**WHEREAS,** the county held three public meetings regarding short-term rentals, one each in Cape George and the Tri Area and a third hybrid meeting in Quilcene, during March 2024; and

**WHEREAS,** county staff presented the findings of these meetings to the Jefferson County Planning Commission at its regularly scheduled July 17, 2024 meeting; and

**WHEREAS,** on December 4, 2024, county staff obtained clarification on how to interpret the Planning Commission's July 17, 2024 preliminary proposal regarding limiting short-term rentals for less than 30 days and exemptions; and

**WHEREAS,** the Jefferson County Department of Community Development (DCD) assumes responsibility for the environmental review and procedural steps as the "Lead Agency" pursuant to WAC 197-11-926(1); and

WHEREAS, Jefferson County analyzed the proposed legislation in accordance with the State Environmental Policy Act (SEPA), as summarized in an associated SEPA checklist, and finds that adoption of this non-project action will not result in a probable significant adverse impact to the environment;

# NOW, THERFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF JEFFERSON COUNTY, STATE OF WASHINGTON as follows:

<u>Section 1. Findings of Fact.</u> The Board of County Commissioners (BoCC) adopts the recitals above (WHEREAS clauses) as their own findings of fact for this ordinance.

Section 2. Purposes. The purpose of this ordinance is to implement the Comprehensive Plan Housing Element which contains an Action Plan as Exhibit 3-7.<sup>3</sup> Under an Action listed as *Remove Potential Barriers to Housing*, the Action Plan states: "Evaluate short-term rentals. To ensure such uses do not further restrict the housing supply for year-round residents, the County could examine the prevalence of short-term rentals and determine if a registration program and limits on numbers, zones or locations are appropriate." Additionally, this exhibit states: "Evaluate short-term rentals using available local and state data sources." It also repeats the above: "Determine if a registration program and limits on numbers, zones, or locations are appropriate to help ensure a sufficient housing supply for year-round residents."

Section 3. Repeal Prior Ordinance. This Ordinance repeals Ordinance No. 03-0610-24.

<u>Section 4. Modification of the Jefferson County Code</u>. JCC <u>17.60.070</u> shall be amended and as set forth in <u>Appendix A</u>.

3

<sup>&</sup>lt;sup>3</sup> See: <a href="https://www.co.jefferson.wa.us/DocumentCenter/View/18001/Jefferson-CP-2018\_12">https://www.co.jefferson.wa.us/DocumentCenter/View/18001/Jefferson-CP-2018\_12</a>, at 3-19 Accessed January 5, 2025.

<u>Section 5. Modification of the Jefferson County Code</u>. Chapter <u>18.10</u> JCC shall be amended as set forth in <u>Appendix B</u>.

Section 6. <u>Modification of the Jefferson County Code</u>. JCC 18.15.040, Table 3-1 shall be amended as set forth in <u>Appendix C</u>.

<u>Section 7. Modification of the Jefferson County Code</u>. JCC 18.20.200 and <u>18.20.210</u> shall be amended as set forth in Appendix D.

<u>Section 8. Modification of the Jefferson County Code</u>. JCC 18.40.040, Table 8-1 shall be amended as set forth in <u>Appendix E</u>.

<u>Section 9. Severability</u>. The provisions of this ordinance are declared separate and severable. If any section, clause, sentence, or phrase of this chapter is held to be invalid or unconstitutional by any court of competent jurisdiction, that holding shall in no way affect the validity of remainder of the code or application of its provision to other persons or circumstances.

<u>Section 9. SEPA Compliance</u>. DCD issued a threshold Determination of Non-Significance (DNS) on January 22, 2025.

<u>Section 10.</u> Effective <u>Date</u>. This Ordinance shall take effect immediately upon adoption by the Board of County Commissioners.

(SIGNATURES FOLLOW ON THE NEXT PAGE)

APPROVED and ADOPTED this	day of, 2025.
	JEFFERSON COUNTY BOARD OF COMMISSIONERS
	Heidi Eisenhour, Chair
	Greg Brotherton, Member
	Heather Dudley-Nollette, Member
SEAL:	
ATTEST:	
Carolyn Gallaway, CMC Date Clerk of the Board	
Approved as to form only:	
Philip Hunsucker Date Chief Civil Deputy Prosecuting Attor	rney

# **APPENDICES**

Proposed Amendments to Jefferson County Code (JCC) Title <u>17</u> and Title <u>18</u>, pertaining to Hospitality Establishments.

Strikethrough (e.g., strikethrough) denotes a deletion; underline denotes an addition.

#### APPENDIX A

# 17.60.070 Resort cap and residential use restrictions.

Pursuant to Ordinance 01-0128-08, the Pleasant Harbor MPR in total shall have a development cap of up to 890 residential units; provided, however, short-term visitor accommodation units and short-term rental units shall constitute not less than 65 percent of the total units including, but not limited to, hotels, motels, lodges, and any residential uses allowed under each zone. Short-term visitor accommodation units and short-term rental units shall be construed to mean occupancies equal to or less than 30 days. The Pleasant Harbor MPR in total shall have a development cap of 56,608 square feet of resort commercial, retail, restaurant, and conference space. [Ord. 3-18 § 2 (Att. 1)]

#### APPENDIX B

The following changes are made to Chapter 18.10 JCC:

#### 18.10.120 L. Definitions

"Landlord" means, as specified in RCW 59.18.030(16), the owner, lessor, or sublessor of the dwelling unit or the property of which it is a part, and in addition means any person designated as representative of the owner, lessor, or sublessor including, but not limited to, an agent, a resident manager, or a designated property manager.

## **18.10.160 P definitions.**

"Primary residence" means a person's usual place of return for housing as documented by motor vehicle registration, driver's license, voter registration, or other such evidence as determined by the Director. A person may have only one primary residence.

#### **18.10.190 S Definitions.**

"Short-term rental" means a lodging use, that is not a hotel, motel, or bed and breakfast, in which a primary or accessory dwelling unit, or portion thereof, is offered or provided to a guest by a short-term rental operator for a fee for fewer than thirty consecutive nights, as set forth in RCW 64.37.010(9)(a).

"Short-term rental advertisement" means any method of soliciting use of a dwelling unit for short-term rental purposes.

"Short-term rental operator" or "operator" means any person who receives payment for owning or operating a dwelling unit, or portion thereof, as a short-term rental unit.

"Short-term rental platform" or "platform" means a person that provides a means through which an operator may offer a dwelling unit, or portion thereof, for short-term rental use, and from which the person or entity financially benefits. Merely publishing a short-term rental advertisement for accommodations does not make the publisher a short-term rental platform.

### **18.10.2000 T definitions**

"Transient accommodations" means a commercial use involving the rental of any structure or portion thereof for the purpose of providing lodging for periods less than 30 days.

"Transient residence" or "transient ADU" means a single-family residential unit or ADU used for short-term transient occupancy (for periods less than 30 days).

The remaining portions of chapter 18.10 JCC are not changed.

# APPENDIX C

Changes to JCC 18.15.040, Table 3-1 are as follows:

# **Table 3-1. Allowable and Prohibited Uses**

	Resourc	ce Lands	Rura	l Resid	ential		Rur	al Commercial			R	ural Indus	strial		Public	UGA
	Agricultu ral – Prime and Local	Forest – Commerci al, Rural and Inholding	1 DU/ 5 Acr es	1 DU/1 0 Acre	1 DU/2 0 Acre s	Rural Villa ge Cente r	Convenien ce Crossroad	Neighborhood/Vis itor Crossroad	General Crossro ad	Resourc e-Based Industri al	Light Industrial/Comme rcial (Glen Cove)	Light Industri al (Glen Cove)	Light Industrial/Manufactu ring (Quilcene and Eastview)	Heavy Industri al	Parks, Preserve s and Recreati on	Ironda le and Port Hadloc k Urban Growt h Area
Specific Land Use	AG	CF/RF/IF	RR 1:5	RR 1:10	RR 1:20	RVC	CC	NC	GC	RBI	LI/C	LI	LI/M	ні	PPR	UGA
Residenti al Uses																
Transient rental of residence of accessory dwelling unit Short-Term Rentals with 5 or fewer guest rooms	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	See Chapte r 18.18 JCC
Commerc ial Uses																
Short- Term Rentals with more than 5 guest rooms	<u>C(d)</u>	<u>C(d)</u>	C(d)	C(d)	C(d)	C(d)	No	No	No	No	<u>No</u>	No	No	<u>No</u>	No	

#### APPENDIX D

# **Changes to JCC 18.20.200 and JCC 18.20.210 are as follows:**

#### **18.20.200 Home Business**

Home businesses are accessory to the primary residential use and are permitted in any dwelling unit or accessory structure. All home businesses shall be reviewed as Type I permit decisions, except as exempted under subsection (3) of this section.

- (1) The following list of uses is not intended to be exhaustive, but rather is intended to be illustrative of the types of uses:
- (a) Artists, photographers, and sculptors;
- (b) Authors and composers;
- (c) Dressmakers, seamstresses, and tailors;
- (d) Home day care;
- (e) Home crafts such as model making, rug weaving, lapidary work, woodworking, and ceramics;
- (f) Office facility of a minister, rabbi, priest or other similar person associated with a religious organization;
- (g) Business office facility of a salesman, sales representative or manufacturer's representative, architect, artist, broker, dentist, physician, public relations practitioner, engineer, planner, instructor in music, arts and crafts, insurance agent, land surveyor, lawyer, musician, real estate agent, or typist;
- (h) Classes of specialized instruction; and
- (i) Barbershops and beauty parlors.; and
- (j) Bed and breakfast residences.

# 18.20.210 Hospitality establishments.

- (1) Bed and Breakfast Inns. The following standards apply to all bed and breakfast inns:
  - (a) No more than six guest sleeping rooms shall be accommodated in any bed and breakfast inn.

- (b) If a building is on a federal, state, or local register of historic structures, then the owner may apply for a bed and breakfast inn for up to 10 rooms. A conditional use permit may be granted if the historic character and fabric of the building are preserved, if there are no new structures or additions to the existing structure(s), and if all other bed and breakfast inn standards and restrictions are met.
- (c) Meals may only be served to overnight guests.
- (d) Kitchen facilities are prohibited in guest rooms.
- (e) Bed and breakfast inns shall be restricted to proprietor-occupied, single-family residences.
- (f) Guest occupancies <u>for a fee</u> shall be limited to <u>fewer than thirty consecutive nights</u> no more than 30 consecutive days.
- (g) The exterior of the building shall retain a residential appearance.
- (h) Bed and breakfast inns shall be operated in a way that will prevent unreasonable disturbance to area residents.
- (i) One off-street parking space shall be provided for each guest room in addition to parking required for the residence. All parking spaces shall meet the standards of Chapter 18.30 JCC.
- (j) Approval shall be conditional upon compliance with all applicable building code requirements, state liquor laws, and state sanitation requirements.
- (k) No more than one sign is allowed, consistent with the sign standards in JCC <u>18.30.150</u>.
- (l) All bed and breakfast inns are subject to the applicable water and food service sanitation requirements established by the Washington State Board of Health and the Jefferson County board of health.
- (2) Bed and Breakfast Residence. The following standards apply to all bed and breakfast residences:
  - (a) Bed and breakfast residences shall be restricted to owner-occupied single-family residences.
  - (b) No more than three guest sleeping rooms shall be available for the accommodation of bed and breakfast residence guests.
  - (c) Guest occupancies <u>for a fee</u> shall be limited to <del>no more</del> <u>fewer than thirty consecutive</u> <u>nightsthan 30 consecutive days</u>.

- (d) Meals may only be served to overnight guests.
- (e) The bed and breakfast residence shall be operated in a way that will prevent unreasonable disturbance to area residents.
- (f) One off-street parking space shall be provided for each guest room in addition to parking required for the residence.
- (g) Approval shall be conditional upon compliance with all applicable building code requirements, state liquor laws, and state sanitation requirements.
- (h) No more than one sign is allowed, consistent with sign standards in JCC <u>18.30.150</u>.
- (3) Transient Residence Short-Term Rental or Transient Guest House (Accessory Dwelling Unit) with five or fewer guest rooms. The following standards apply to all short-term (less than 30 days) transient rentals of single-family residential units and guest houses (ADUs) or portions thereof:
  - (a) The transient residence short-term rental or short-term guest house shall be operated in a way that will prevent unreasonable disturbances to area residents.
  - (b) At least one additional off-street parking space shall be provided for the transient short-term rental use in addition to the parking required for the residence or guest house.
  - (c) If any food service is to be provided the requirements for a bed and breakfast residence mustshall be met.
  - (d) No outdoor advertising signs are allowed.
  - (e) The owner or lessee may rent the principal residence or the guest house on a short-term basis, but not both.
  - (f) Where there are both a principal residence and a guest house (i.e., an accessory dwelling unit), the owner or lessee must reside on the premises.
  - (g) Transient accommodations must meet all local and state regulations, including those pertaining to business licenses and taxes.
  - (e) Short-term rentals shall not exceed 4% of the unincorporated Jefferson County housing unit total not including:
    - i. Master planned resorts,
    - ii. Hospitality permits approved under prior regulations, or

- iii Short-term rentals for less than 30-days predating hospitality regulations.
- (f) Subject to the established maximum numbers of short-term rentals, rentals for less than 30 days are permissible where the land owner is a resident of Jefferson County and the landowner or a qualified representative is in Jefferson County during the entire rental period.
- (g) In no case shall the short-term rental exceed the design capacity of the permitted on-site sewage system.
- (h) In each of the county's zip codes, rentals for less than 30 days shall not exceed the number established by the Board of County Commissioners. In the event the Board has not established maximum numbers of rentals (cap) in each zip code, the cap in each zone shall not exceed 4% of the total number of housing units as estimated by the Office of Financial Management.
- (i) Short-Term Rental permits shall be inspected annually.
- (j) Short-Term Rental permits shall only be valid for three years for permit holders whose primary residence is not on site.
- (k) Short-term rentals shall meet all local and state regulations, including those pertaining to business licenses, <u>liability insurances</u>, and taxes, <u>and registering with the Washington</u> Department of Revenue as required by RCW 64.37.040.
- (4) Short-Term Rental with more than five guest rooms. The following standards apply to short-term (less than 30 days) rentals of single-family residential units or portions thereof:
  - (a) The short-term rental shall be operated in a way that will prevent unreasonable disturbances to area residents.
  - (b) One off-street parking space shall be provided for each guest room in addition to parking required for the residence. All parking spaces shall meet the standards of Chapter 18.30 JCC.
  - (c) No outdoor advertising signs are allowed.
  - (d) A conditional discretionary use permit shall be required.
  - (e) With the exception of short-term rentals identified in JCC 18.20.210(3)(e), the maximum number of short-term rentals shall not exceed the maximum cap as set forth in 18.20.210(3); and
    - (i) Landlords are prohibited from renting to a third party for less than 30 days within the first two (2) calendar years of ownership or lease; and

- (ii) The number of short-term rentals within each of the county's zip codes shall not exceed the amount specified in JCC 18.20.210(3).
- (f) Short-term rentals shall be located at the landlord's primary residence
- (5) Regulatory Compliance. Bed and breakfast inns, bed and breakfast residences, and short-term rentals shall comply with all local and state regulations, including those pertaining to business licenses, liability insurances and taxes, and registering with the Washington Department of Revenue. For the avoidance of doubt, compliance "state regulations" includes, without limitation, compliance with all of the requirements in Chapter 64.37 RCW.
- (6) Application, License and Registration required.
  - (a) An application for approval of any bed and breakfast inn, bed and breakfast residence, or short-term rental shall be filed with the department on forms developed by the department.
  - (b) An application for a bed and breakfast inn, bed and breakfast residence, or short-term rental shall not be considered complete unless it includes a true and correct copy of every license or registration from the Washington Department of Revenue required by it under Chapter 64.37 RCW.
  - (c) The department shall maintain a list of all approved applications for Bed and breakfast inns, bed and breakfast residences, and short-term rentals, which shall be accessible on the department's web site.
- (7) Legal non-conforming housing units (sometimes called grandfathering) shall not be included under this chapter 18.210(3) and (4), but must:
  - (a) At a minimum, prior users must demonstrate that the current use is essentially the same as before July 10, 2006 (when JCC 18.20.210 was adopted), and
  - (b) Even if prior use is established, it must meet life safety requirements, state requirements, i.e., 64.37 RCW & licensing requirements.

#### (8) Enforcement.

- (a) The provisions of this chapter shall be enforced under Title 19 of the Jefferson County Code. Jefferson County may seek any remedy available under law as is necessary to prevent or correct any violation of this chapter.
- (b) Any short-term rental platform or other advertisement of a short-term rental in unincorporated Jefferson County shall:
  - (i) Register the platform's name or advertisement location, contact person, and website address with the department prior to operating;

- (ii) Provide a list of all active short-term rental listings within the municipal boundaries of Jefferson County with the department;
- (iii) Advertise only those short-term rentals with valid permits; and
- (iv) Comply with all local and state regulation governing short-term rentals.

# APPENDIX E

Changes to JCC 18.40.040, Table 8-1 are as follows:

**Table 8-1. Permits – Decisions** 

Type I <sup>2</sup>	Type II	Type III	Type IV	Type V
Bed and breakfast inn, bed and breakfast residence and short-term rental Hospitality permits listed in Table 3-1 in JCC 18.15.040 as "Yes".	permits under JCC 18.40.520(2) listed in Table 3-1 in JCC 18.15.040 as "C(d)" unless Type III process required by			

# STATE OF WASHINGTON COUNTY OF JEFFERSON

<b>ORDINANCE</b>	

**WHEREAS,** the Washington Constitution, Article XI, Section <u>11</u>, confers upon county legislative authorities the police power to adopt regulations necessary to protect the health, safety, and well-being of its residents; and

**WHEREAS**, RCW <u>36.32.120(7)</u> provides that the county legislative authorities shall make and enforce, by appropriate resolutions or ordinances, all such police and sanitary regulations as are not in conflict with state law; and

**WHEREAS**, police power is that inherent and plenary power which enables prohibition of all things hurtful to the comfort, safety and welfare of society; and

**WHEREAS**, the scope of police power is broad, encompassing all those measures which bear a reasonable and substantial relation to promotion of the general welfare of the people; and

WHEREAS, homelessness and housing affordability directly and indirectly impact the health, safety, and well-being of county residents and continues to present local, regional, and national challenges arising out of many social and economic factors; and

WHEREAS, Jefferson County enacted several measures to address the shortage of affordable, transitional, supportive, and emergency housing; and

**WHEREAS,** in 2017, the Jefferson County Board of County Commissioners adopted Resolution No. <u>35-17</u> to declare that an emergency exists with respect to the availability of housing that is affordable for those households earning 80 percent or less of the Jefferson County median family income, which the U.S. Department of Housing and Urban Development identifies as "low income;" and

**WHEREAS,** as identified in the 2019 Jefferson County Community Health Assessment Report: Summary Findings, the lack of affordable housing continues to present local challenges, especially for older adults, young families, and the working class; and

WHEREAS, in Resolution No. <u>63-19</u>, the Jefferson County Board of Commissioners adopted a Five-Year Homeless Housing Plan, *Making Homelessness a Singular Occurrence – Homelessness Crisis Response and Housing Five-Year Plan for Jefferson County*, "to establish a long-term, systematic effort to address the homelessness and affordable housing crisis through a data focused vision for Jefferson County;" and

**WHEREAS,** Jefferson County adopted Ordinance No. 11-1221-20, imposing a sales and use tax for affordable housing and supportive services, in accordance with House Bill <u>1590</u> (chapter 222, Laws of 2020) and RCW <u>82.14.530</u>, to address the local challenge presented by homelessness and declining affordability; and

**WHEREAS,** Jefferson County adopted Ordinance No. 05-0613-22 related to the siting, establishment, and operation of temporary housing facilities for unsheltered and unhoused individuals and families in unincorporated Jefferson County to address the local challenge presented by homelessness and declining affordability; and

WHEREAS, Jefferson County adopted Ordinance No. 04-1009-23 referenced as the Commercial Property Assessed Clean Energy and Resilience (C-PACER) Program to reduce the debt servicing costs associated with commercial property improvements and construction including multifamily structures with five or more dwelling units to incentivize multifamily construction, rehabilitation, and repair to implement sustainable practices; and

**WHEREAS,** Jefferson County in partnership with the City of Port Townsend and the Housing Fund Board identified sites for transitional, supportive, and emergency housing, such as Caswell-Brown Village, to create an emergency shelter to address the foregoing challenges; and

WHEREAS, the Board of County Commissioners amended the Port Townsend Urban Growth Area (PTUGA) boundary via Ordinance No. 09-1209-24 to provide for transitional, supportive, and emergency housing including, among others, the Caswell-Brown Village site to accommodate continuum-of-care special purpose housing to address the foregoing challenges; and

**WHEREAS,** in partnership with the City of Port Townsend, Jefferson County advanced new affordable housing opportunities in 2024 through pre-approved residential building plans, where sweat equity, energy efficient designs, and expedited permitting may reduce housing costs to partly address the lack of housing; and

**WHEREAS**, the Jefferson County Comprehensive Plan contains a Housing Action Plan as Exhibit 3-7<sup>2</sup> that identifies the need to "evaluate short-term rentals to ensure such uses do not

<sup>&</sup>lt;sup>1</sup> https://www.co.jefferson.wa.us/DocumentCenter/View/19190/20191104\_Jefferson\_CHA-Summary-Report\_2019\_v2, Accessed January 5, 2025.

<sup>&</sup>lt;sup>2</sup> See: https://www.co.jefferson.wa.us/DocumentCenter/View/18001/Jefferson-CP-2018\_12, at 3-19 Accessed January 5, 2025.

further restrict the housing supply for year-round residents" as one of six bulleted tasks to remove potential barriers to housing; and

**WHEREAS,** the county held three public meetings regarding short-term rentals, one each in Cape George and the Tri Area and a third hybrid meeting in Quilcene, during March 2024; and

**WHEREAS,** county staff presented the findings of these meetings to the Jefferson County Planning Commission at its regularly scheduled July 17, 2024 meeting; and

**WHEREAS,** on December 4, 2024, county staff obtained clarification on how to interpret the Planning Commission's July 17, 2024 preliminary proposal regarding limiting short-term rentals for less than 30 days and exemptions; and

WHEREAS, on February 5, 2025, the Planning Commission held a duly noticed public hearing to receive testimony on the short-term rentals proposals; and

WHEREAS, on February 19, 2025, the Planning Commission deliberated on the testimony and record; and

WHEREAS, on March 3, 2025, the BoCC held a workshop on the Planning Commission's recommendation, and the BoCC chose to hold their own public hearing on the proposed amendments to the relevant sections of the Jefferson County Code; and

WHEREAS, the BoCC held their own hearing on March 17, 2025; and

**WHEREAS,** the Jefferson County Department of Community Development (DCD) assumes responsibility for the environmental review and procedural steps as the "Lead Agency" pursuant to WAC 197-11-926(1); and

WHEREAS, Jefferson County analyzed the proposed legislation in accordance with the State Environmental Policy Act (SEPA), as summarized in an associated SEPA checklist, and finds that adoption of this non-project action will not result in a probable significant adverse impact to the environment;

NOW, THERFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF JEFFERSON COUNTY, STATE OF WASHINGTON as follows:

<u>Section 1. Findings of Fact.</u> The Board of County Commissioners (BoCC) adopts the recitals above (WHEREAS clauses) as their own findings of fact for this ordinance.

<u>Section 2. Purposes.</u> The purpose of this ordinance is to implement the Comprehensive Plan Housing Element which contains an Action Plan as Exhibit 3-7.<sup>3</sup> Under an Action listed as *Remove Potential Barriers to Housing*, the Action Plan states: "Evaluate short-term rentals. To ensure such uses do not further restrict the housing supply for year-round residents, the County could examine the prevalence of short-term rentals and determine if a registration program and limits on numbers,

3

<sup>&</sup>lt;sup>3</sup> See: <a href="https://www.co.jefferson.wa.us/DocumentCenter/View/18001/Jefferson-CP-2018\_12">https://www.co.jefferson.wa.us/DocumentCenter/View/18001/Jefferson-CP-2018\_12</a>, at 3-19 Accessed January 5, 2025.

zones or locations are appropriate." Additionally, this exhibit states: "Evaluate short-term rentals using available local and state data sources." It also repeats the above: "Determine if a registration program and limits on numbers, zones, or locations are appropriate to help ensure a sufficient housing supply for year-round residents."

Section 3. Repeal Prior Ordinance. This Ordinance repeals Ordinance No. 03-0610-24.

<u>Section 4. Modification of the Jefferson County Code</u>. JCC <u>17.60.070</u> shall be amended and as set forth in <u>Appendix A</u>.

<u>Section 5. Modification of the Jefferson County Code</u>. Chapter <u>18.10</u> JCC shall be amended as set forth in <u>Appendix B</u>.

Section 6. <u>Modification of the Jefferson County Code</u>. JCC 18.15.040, Table 3-1 shall be amended as set forth in Appendix C.

<u>Section 7. Modification of the Jefferson County Code</u>. JCC 18.20.200 and <u>18.20.210</u> shall be amended as set forth in <u>Appendix D</u>.

<u>Section 8. Modification of the Jefferson County Code</u>. JCC 18.40.040, Table 8-1 shall be amended as set forth in <u>Appendix E</u>.

<u>Section 9. Severability</u>. The provisions of this ordinance are declared separate and severable. If any section, clause, sentence, or phrase of this chapter is held to be invalid or unconstitutional by any court of competent jurisdiction, that holding shall in no way affect the validity of remainder of the code or application of its provision to other persons or circumstances.

<u>Section 9. SEPA Compliance</u>. DCD issued a threshold Determination of Non-Significance (DNS) on January 22, 2025.

<u>Section 10.</u> Effective <u>Date</u>. This Ordinance shall take effect immediately upon adoption by the Board of County Commissioners.

(SIGNATURES FOLLOW ON THE NEXT PAGE)

APPROVED and ADOPTED the	nis	_ day of	, 2025.	
		JEFFERSO COMMISS	N COUNTY BOARD O IONERS	F
		Heidi Eisen	hour, Chair	
		Greg Broth	erton, Member	
		Heather Du	dley-Nollette, Member	
SEAL:				
ATTEST:				
Carolyn Gallaway, CMC Clerk of the Board	Date			
Approved as to form only:				
Philip Hunsucker	Date	-		
Chief Civil Deputy Prosecuting				

# **APPENDICES**

Proposed Amendments to Jefferson County Code (JCC) Title <u>17</u> and Title <u>18</u>, pertaining to Hospitality Establishments.

 $Strikethrough\ (e.g.,\ strikethrough)\ denotes\ a\ deletion;\ \underline{underline}\ denotes\ an\ addition.$ 

#### APPENDIX A

# 17.60.070 Resort cap and residential use restrictions.

Pursuant to Ordinance 01-0128-08, the Pleasant Harbor MPR in total shall have a development cap of up to 890 residential units; provided, however, short-term visitor accommodation units and short-term rental units shall constitute not less than 65 percent of the total units including, but not limited to, hotels, motels, lodges, and any residential uses allowed under each zone. Short-term visitor accommodation units and short-term rental units shall be construed to mean occupancies equal to or less than 30 daysnights. The Pleasant Harbor MPR in total shall have a development cap of 56,608 square feet of resort commercial, retail, restaurant, and conference space. [Ord. 3-18 § 2 (Att. 1)]

#### APPENDIX B

The following changes are made to Chapter 18.10 JCC:

#### **18.10.190 S Definitions.**

"Short-term rental" means a lodging use, that is not a hotel, motel, or bed and breakfast, in which a primary or accessory dwelling unit, or portion thereof, is offered or provided to a guest by a short-term rental operator for a fee for fewer than thirty consecutive nights, as set forth in RCW 64.37.010(9)(a).

"Short-term rental advertisement" means any method of soliciting use of a dwelling unit for short-term rental purposes.

"Short-term rental operator" or "operator" means any person who receives payment for owning or operating a dwelling unit, or portion thereof, as a short-term rental unit.

"Short-term rental platform" or "platform" means a person that provides a means through which an operator may offer a dwelling unit, or portion thereof, for short-term rental use, and from which the person or entity financially benefits. Merely publishing a short-term rental advertisement for accommodations does not make the publisher a short-term rental platform.

#### 18.10.2000 T definitions

"Transient accommodations" means a commercial use involving the rental of any structure or portion thereof for the purpose of providing lodging for periods less than 30 days.

"Transient residence" or "transient ADU" means a single-family residential unit or ADU used for short-term transient occupancy (for periods less than 30 days).

The remaining portions of chapter 18.10 JCC are not changed.

# APPENDIX C

Changes to JCC 18.15.040, Table 3-1 are as follows: **Table 3-1. Allowable and Prohibited Uses** 

	Resource	ce Lands	Rura	ıl Resid	lential		Rur	al Commercial			R	ural Indus	strial		Public	UGA
	Agricultu ral – Prime and Local	Forest – Commerci al, Rural and Inholding	1 DU/ 5 Acr es	1 DU/1 0 Acre	1 DU/2 0 Acre	Rural Villa ge Cente r	Convenien ce Crossroad	Neighborhood/Vis itor Crossroad	General Crossro ad	Resourc e-Based Industri al	Light Industrial/Comme rcial (Glen Cove)	Light Industri al (Glen Cove)	Light Industrial/Manufactu ring (Quilcene and Eastview)	Heavy Industri al	Parks, Preserve s and Recreati on	Ironda le and Port Hadloc k Urban Growt h Area
Specific Land Use	AG	CF/RF/IF	RR 1:5	RR 1:10	RR 1:20	RVC	CC	NC	GC	RBI	LI/C	LI	LI/M	ні	PPR	UGA
Residenti al Uses																
Transient rental of residence or accessory dwelling unitShort-Term Rentals with 5 or fewer guest rooms and 10 or fewer occupants	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	See Chapte r 18.18 JCC
Commerc ial Uses																
Short- Term Rentals with more than 5 guest rooms and more than 10 occupants	C(d)	C(d)	<u>C(d)</u>	C(d)	C(d)	C(d)	<u>No</u>	<u>No</u>	No	No	<u>No</u>	<u>No</u>	<u>No</u>	No	<u>No</u>	

#### APPENDIX D

### Changes to JCC 18.20.210 are as follows:

## 18.20.210 Hospitality establishments.

- (3) <u>Short-Term Rental.</u> <u>Transient Residence or Transient Guest House (Accessory Dwelling Unit).</u> The following standards apply to all short-term (<u>less than 30 days</u>) <u>transient</u> rentals of single-family residential units <u>and guest houses (ADUs)</u> or portions thereof:
  - (a) The <u>short-term rental</u> <u>-transient residence or guest house</u> shall be operated in a way that will prevent unreasonable disturbances to area residents.
  - (b) All parking must be contained onsite, as determined by DCD. All parking spaces shall meet the standards of Chapter 18.30 JCC. At least one additional off-street parking space shall be provided for the transient use in addition to the parking required for the residence or guest house.
  - (c) If any food service is to be provided the requirements for a bed and breakfast residence must be met
  - (d) No outdoor advertising signs are allowed. One identification (ID) placard identifying the name of the rental is allowed onsite and shall not exceed four square feet in size.
  - (e) In no case shall the short-term rental exceed the design capacity of the permitted on-site sewage system. The owner or lessee may rent the principal residence or the guest house on a short-term basis, but not both.
  - (f) Short-term rentals are not permitted in any temporary, portable, or other structure not permitted by the County for permanent occupancy (e.g., boat, tent, yurt, RV, etc.). Where there are both a principal residence and a guest house (i.e., an accessory dwelling unit), the owner or lessee must reside on the premises.
  - (g) Short-term rentals shall meet all local and state regulations, including those pertaining to business licenses, liability insurances, and taxes, and registering with the Washington Department of Revenue as required by RCW 64.37.040. Transient accommodations must meet all local and state regulations, including those pertaining to business licenses and taxes.
  - (h) A short-term rental permit shall be tied to the property and cannot be transferred to a separate dwelling.
  - (i) The owner or operator may rent the principal residence or the guest house on the same lot or parcel on a short-term basis, but not both.

- (j) A short-term rental operator shall not hold more than one hospitality permit for a short-term rental in unincorporated Jefferson County.
- (k) Short-term rentals with five or fewer guest rooms and 10 or fewer total occupants will require a Type I hospitality permit for a short-term rental.
- (1) Short-term rentals with six or more guest rooms and greater than 10 total occupants shall require a conditional discretionary use permit and additional building requirements.
- (m) Must meet state and local standards for habitable space and life safety conditions.
- (n) Short-term rentals within Master Plan Resorts (MPR) are excepted from the cap on short-term rentals. Short-term rentals shall be limited to four percent of the dwellings in unincorporated Jefferson County housing, as determined by DCD. Based on OFM (Office of Financial Management) data, there are 11,694 dwellings outside of MPR. Four percent of these dwellings would equate to 468 short-term rentals allowed at this time. The short-term rentals will be distributed prepositional based on the housing stock in each zip code (i.e., if Port Townsend zip code has 20 percent of the housing stock they would be allowed 20% of the short-term rentals based on the U.S. Census). Every year DCD will update the number of dwelling units, the number of short-term rentals allowed and the number of short-term rental permits that have a valid permit from DCD. If the maximum number of short-term rentals is reached, DCD will have a waiting list for new short-term rentals.
- (o) Applications for permits for a short-term rental shall be on a form approved by the director.
- (4) Permitting is required for all short-term rentals in the County.
  - (a) A short-term rental that existed prior to the establishment of the original Unified Development Code with an effective date of January 16, 2001 shall be established as a legal non-conforming use if all of the following requirements are satisfied:
    - (i) The short-term rental operator provides proof to the satisfaction of the director that the lot or parcel was the location of a short-term rental and that applicable sales and lodging taxes pursuant to chapter 64.37 RCW were remitted to the authorized collector prior to January 16, 2001; and
    - (ii) Apply for and obtain a hospitality permit for a short-term rental permit within 90 days from the date of the adoption of this Ordinance.
  - (b) A short term rental that existed prior to the establishment of the original <u>Unified</u> Development Code effective January 16, 2001 may continue, provided the short-term rental operator renews the permit and satisfies all the requirements of this section.
  - (c) The number of new short-term rentals limit addressed in section 3(n) shall be reduced by the number of pre-existing short-term rentals addressed in in Section 4(a) and (b) above.

(d) New short-term rental applications shall be accepted until the limit addressed in Section 3(n) above is met. Once a hospitality permit for a short-term rental is issued, the permit may continue, provided the short-term rental operator renews the permit and satisfies all the requirements of this chapter.

# (e) Short-Term Rental Permit Renewal:

- (i) Application for renewal shall occur annually and at least 30 days prior expiration of the hospitality permit for a short-term rental.
- (ii) Renewal fees for a hospitality permit for a short-term rental shall be per the County's-applicable fee schedule.
- (iii) Renewal of an existing permit for a short-term rental requires an inspection addressing fire, safety, and health requirements.
- (iv) Failure to renew a permit for a short-term rental may result in short-term rental not being allowed if the limit addressed in Section 3(n) is met.
- (5) Enforcement. The provisions of this chapter shall be enforced under Title 19 of the Jefferson County Code. Jefferson County may seek any remedy available under law as is necessary to prevent or correct any violation of this chapter.
- (6) Conflict. If any county regulations herein are found to be in conflict with chapter 64.37 RCW, the provisions of chapter 64.37 RCW shall apply.

# APPENDIX E

Changes to JCC 18.40.040, Table 8-1 are as follows:

**Table 8-1. Permits – Decisions** 

Type I <sup>2</sup>	Type II	Type III	Type IV	Type V
Bed and breakfast inn, bed and breakfast residence and short-term rental Hospitality permits listed in Table 3-1 in JCC 18.15.040 as "Yes".	Discretionary conditional use permits under JCC 18.40.520(2) listed in Table 3-1 in JCC 18.15.040 as "C(d)" unless Type III process required by administrator.			

#### APPENDIX D

## Changes to JCC 18.20.200 and JCC 18.20.210 are as follows:

18.20.200 Home Business				
Home businesses are accessory to the primary residential use and are permitted in any dwelling unit or accessory structure. All home businesses shall be reviewed as Type I permit decisions, except as exempted under subsection (3) of this section.				
(1) The following list of uses is not intended to be exhaustive, but rather is intended to be illustrative of the types of uses:				
(a) Artists, photographers, and sculptors;				
(b) Authors and composers;				
(c) Dressmakers, seamstresses, and tailors;				
(d) Home day care;				
(e) Home crafts such as model making, rug weaving, lapidary work, woodworking, and ceramics;				
(f) Office facility of a minister, rabbi, priest or other similar person associated with a religious organization;				
(g) Business office facility of a salesman, sales representative or manufacturer's representative, architect, artist, broker, dentist, physician, public relations practitioner, engineer, planner, instructor in music, arts and crafts, insurance agent, land surveyor, lawyer, musician, real estate agent, or typist;				
(h) Classes of specialized instruction; and				
(i) Barbershops and beauty parlors <u>i</u> and				
(j) Bed and breakfast residences.				
18.20.210 Hospitality establishments.				
(1) Bed and Breakfast Inns. The following standards apply to all bed and breakfast inns:				

**Commented [DCD1]:** No modifications to Section 18.20.200 proposed in DCD version

**Commented [DCD2]:** No modifications to Section 18.20.210 proposed in DCD version

inn.

(a) No more than six guest sleeping rooms shall be accommodated in any bed and breakfast

- (b) If a building is on a federal, state, or local register of historic structures, then the owner may apply for a bed and breakfast inn for up to 10 rooms. A conditional use permit may be granted if the historic character and fabric of the building are preserved, if there are no new structures or additions to the existing structure(s), and if all other bed and breakfast inn standards and restrictions are met.
- (c) Meals may only be served to overnight guests.
- (d) Kitchen facilities are prohibited in guest rooms.
- (e) Bed and breakfast inns shall be restricted to proprietor-occupied, single-family residences.
- (f) Guest occupancies <u>for a fee</u> shall be limited to <u>fewer than thirty consecutive nightsno</u> more than 30 consecutive days.
- (g) The exterior of the building shall retain a residential appearance.
- (h) Bed and breakfast inns shall be operated in a way that will prevent unreasonable disturbance to area residents.
- (i) One off-street parking space shall be provided for each guest room in addition to parking required for the residence. All parking spaces shall meet the standards of Chapter 18.30 JCC.
- (j) Approval shall be conditional upon compliance with all applicable building code requirements, state liquor laws, and state sanitation requirements.
- (k) No more than one sign is allowed, consistent with the sign standards in JCC 18.30.150.
- (1) All bed and breakfast inns are subject to the applicable water and food service sanitation requirements established by the Washington State Board of Health and the Jefferson County board of health.
- (2) Bed and Breakfast Residence. The following standards apply to all bed and breakfast residences:
  - (a) Bed and breakfast residences shall be restricted to owner-occupied single-family residences.
  - (b) No more than three guest sleeping rooms shall be available for the accommodation of bed and breakfast residence guests.
  - (c) Guest occupancies  $\underline{\text{for a fee}}$  shall be limited to  $\underline{\text{no more-fewer than thirty consecutive}}$   $\underline{\text{nights}}$  than 30 consecutive days.

- (d) Meals may only be served to overnight guests.
- (e) The bed and breakfast residence shall be operated in a way that will prevent unreasonable disturbance to area residents.
- (f) One off-street parking space shall be provided for each guest room in addition to parking required for the residence.
- (g) Approval shall be conditional upon compliance with all applicable building code requirements, state liquor laws, and state sanitation requirements.
- (h) No more than one sign is allowed, consistent with sign standards in JCC 18.30.150.
- (3) Transient ResidenceShort-Term Rental or Transient Guest House (Accessory Dwelling Unit) with five or fewer guest rooms. The following standards apply to all short-term (less than 30 days) transient rentals of single-family residential units and guest houses (ADUs) or portions thereof:
  - (a) The transient residenceshort-term rental or short-term guest house shall be operated in a way that will prevent unreasonable disturbances to area residents.
  - (b) At least one additional off-street parking space shall be provided for the transient short-term rental use in addition to the parking required for the residence or guest house.
  - (c) If any food service is to be provided the requirements for a bed and breakfast residence mustshall be met.
  - (d) No outdoor advertising signs are allowed.
  - (e) The owner or lessee may rent the principal residence or the guest house on a short term basis, but not both.
  - (f) Where there are both a principal residence and a guest house (i.e., an accessory dwelling unit), the owner or lessee must reside on the premises.
  - (g) Transient accommodations must meet all local and state regulations, including those pertaining to business licenses and taxes.
  - (e) Short-term rentals shall not exceed 4% of the unincorporated Jefferson County housing unit total not including:
  - i. Master planned resorts,
  - ii. Hospitality permits approved under prior regulations, or

**Commented [DCD3]:** DCD version addressed in Section 3(k) and adds occupants limit to address EH concerns about septic

Commented [DCD4]: Same as DCD version in 3(a)

**Commented [DCD5]:** DCD version addressed in Section 3(b) and requires all parking spaces on-site as determined by DCD.

**Commented [DCD6]:** Same as DCD version in 3(c)

**Commented [DCD7]:** DCD version allows 4 sq. ft identification sign in Section 3(d) to aid in finding the dwelling

**Commented [DCD8]:** Addressed in Section 3(n) of DCD version

#### iii Short-term rentals for less than 30-days predating hospitality regulations.

(f) Subject to the established maximum numbers of short-term rentals, rentals for less than 30 days are permissible where the land owner is a resident of Jefferson County and the landowner or a qualified representative is in Jefferson County during the entire rental period.

(g) In no case shall the short-term rental exceed the design capacity of the permitted on-site sewage system.

(h) In each of the county's zip codes, rentals for less than 30 days shall not exceed the number established by the Board of County Commissioners. In the event the Board has not established maximum numbers of rentals (cap) in each zip code, the cap in each zone shall not exceed 4% of the total number of housing units as estimated by the Office of Financial Management.

(i) Short-Term Rental permits shall be inspected annually.

(j) Short-Term Rental permits shall only be valid for three years for permit holders whose primary residence is not on site.

(k) Short-term rentals shall meet all local and state regulations, including those pertaining to business licenses, liability insurances, and taxes, and registering with the Washington Department of Revenue as required by RCW 64.37.040.

(4) Short-Term Rental with more than five guest rooms. The following standards apply to short-term (less than 30 days) rentals of single-family residential units or portions thereof:

(a) The short-term rental shall be operated in a way that will prevent unreasonable disturbances to area residents.

(b) One off-street parking space shall be provided for each guest room in addition to parking required for the residence. All parking spaces shall meet the standards of Chapter 18.30 JCC.

(c) No outdoor advertising signs are allowed.

(d) A conditional discretionary use permit shall be required.

(e) With the exception of short-term rentals identified in JCC 18.20.210(3)(e), the maximum number of short-term rentals shall not exceed the maximum cap as set forth in 18.20.210(3); and

(i) Landlords are prohibited from renting to a third party for less than 30 days within the first two (2) calendar years of ownership or lease; and

**Commented [DCD9]:** Addressed in Section 3(j) of DCD version. This would limit STR to one landowner only and removes residency requirement that would be hard to enforce.

**Commented [DCD10]:** Same as DCD version Section 3(e)

**Commented [DCD11]:** Addressed in Section 3(j) & 4(c) of DCD version.

The cap for each zip code would be based on census data

**Commented [DCD12]:** Addressed in Section 4(e) DCD Version on STR renewal process

**Commented [DCD13]:** DCD removed based on difficulty to implement residency requirement and unfair for STR to be limited to 3 years if they meet requirement

Commented [DCD14]: Same as DCD version Section 3(g)

**Commented [DCD15]:** DCD version eliminated Section 4 of PC version. DCD version addressed the requirements for over 5 guest rooms in the Section 3 and 4 of DCD version

Commented [DCD16]: Process for more than 5 guest rooms addressed in Table 3-1 of Section 18.25.040 (Appendix C) & Table 8-1 in Section 18.40.040 (Appendix F)

- (ii) The number of short-term rentals within each of the county's zip codes shall not exceed the amount specified in JCC 18.20.210(3).
- (f) Short-term rentals shall be located at the landlord's primary residence
- (5) Regulatory Compliance. Bed and breakfast inns, bed and breakfast residences, and short-term rentals shall comply with all local and state regulations, including those pertaining to business licenses, liability insurances and taxes, and registering with the Washington Department of Revenue. For the avoidance of doubt, compliance "state regulations" includes, without limitation, compliance with all of the requirements in Chapter 64.37 RCW.
- (6) Application, License and Registration required.
  - (a) An application for approval of any bed and breakfast inn, bed and breakfast residence, or short-term rental shall be filed with the department on forms developed by the department.
  - (b) An application for a bed and breakfast inn, bed and breakfast residence, or short-term rental shall not be considered complete unless it includes a true and correct copy of every license or registration from the Washington Department of Revenue required by it under Chapter 64.37 RCW.
  - (c) The department shall maintain a list of all approved applications for Bed and breakfast inns, bed and breakfast residences, and short-term rentals, which shall be accessible on the department's web site.
- (7) Legal non-conforming housing units (sometimes called grandfathering) shall not be included under this chapter 18.210(3) and (4), but must:
  - (a) At a minimum, prior users must demonstrate that the current use is essentially the same as before July 10, 2006 (when JCC 18.20.210 was adopted), and
  - (b) Even if prior use is established, it must meet life safety requirements, state requirements, i.e., 64.37 RCW & licensing requirements.
- (8) Enforcement.
  - (a) The provisions of this chapter shall be enforced under Title 19 of the Jefferson County Code. Jefferson County may seek any remedy available under law as is necessary to prevent or correct any violation of this chapter.
  - (b) Any short-term rental platform or other advertisement of a short-term rental in unincorporated Jefferson County shall:
    - (i) Register the platform's name or advertisement location, contact person, and website address with the department prior to operating;

**Commented [DCD17]:** DCD version addressed this is Section 3(g)

Commented [DCD18]: Addressed in Section 4 of DCD version

**Commented [DCD19]:** Addressed in Section 3(g) DCD version

**Commented [DCD20]:** Addressed in Section 3(l) of DCD version

**Commented [DCD21]:** Addressed in Section 4(a) & (b) of DCD version

**Commented [DCD22]:** Further research revealed 2001 is the year we started regulating STRs

**Commented [DCD23]:** Addressed in Section 4(b) of DCD version

**Commented [DCD24]:** Addressed in Section 5 of DCD version

**Commented [DCD25]:** DCD version did not include Section 8(b) but could be added if deemed appropriate/necessary

- (ii) Provide a list of all active short-term rental listings within the municipal boundaries of Jefferson County with the department;
- (iii) Advertise only those short-term rentals with valid permits; and
- (iv) Comply with all local and state regulation governing short-term rentals.