

**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

DATE: July 8, 2024

SUBJECT: Public Hearing regarding Ordinance 03-0610-24 regarding a development permit application moratorium for Short-Term Rentals

STATEMENT OF ISSUE:

This public hearing will provide the general public an opportunity to provide public testimony on Ordinance 03-0610-24 (attached), adopted by the Board of County Commissioners (BoCC) on June 10, 2024, thereby establishing a moratorium on acceptance and processing of development permit applications for Short-Term Rentals (STRs), as regulated under Title 18 of the Jefferson County Code (JCC). A public hearing is required within 60 days of adoption of an interim control such as the referenced moratorium.

The Department of Community Development (DCD) plans to bring to the BoCC before the end of this year a proposed ordinance that amends development regulations for short-term rentals, along with a Planning Commission recommendation. The moratorium expires in April 2025, though it may be lifted sooner, along with establishment of updated STR development regulations.

BACKGROUND

Following a trio of public listening sessions in March and subsequent Planning Commission meetings on the topic of STRs (i.e., 'vacation rentals' for fewer than 30 days), DCD will propose an ordinance to amend the Unified Development Code (UDC) for consideration by the Planning Commission and the BoCC. For background information, the July 3 DCD staff report to the Planning Commission is attached. The report includes a summary of the results of the planning process to date, including public input. Also, interested parties may visit the project webpage: www.co.jefferson.wa.us/1731/Short-Term-Rentals

ANALYSIS

The BoCC has determined that development regulations for STRs should be evaluated for potential amendment. Preliminary research indicates that there may be many more STRs in operation in the county than have been permitted through DCD land use review. Additionally, there is an impact to the availability of long-term housing from an abundance of STRs in a given community. See the attached staff report and the STR project webpage for more information on the issue that the BoCC, DCD staff, and the Planning Commission are in the process of addressing.

The next step after the July 3 Planning Commission meeting is that DCD staff will assimilate and synthesize ideas gathered from the community on (1) enforcement, (2) limiting rentals, (3) owner-occupied versus other types, (4) neighborhood impacts, (5) tourism balance, (6) education/outreach, and (7) life safety to help shape a proposed ordinance, which will then be posted in advance of a public hearing before the Planning Commission this summer. A hearing date before the Planning Commission has yet to be determined.

NOTICE

This public hearing is being held pursuant to Chapter 36.70A.390 RCW for the purpose of receiving public testimony on the ordinance adopted in June to establish a moratorium on land use applications for STRs. Written testimony submitted by electronic mail to: jeffbocc@co.jefferson.wa.us; or by regular mail postage prepaid to Jefferson County Commissioners' Office, PO Box 1220, Port Townsend, WA 98368; will be accepted until the end of the public hearing, unless extended by the BoCC.

Notice of this hearing was published on June 26, 2024 and July 3, 2024 in the *Port Townsend Leader*, Jefferson County's newspaper of record for legal notices.

FISCAL IMPACT/COST-BENEFIT ANALYSIS:

The General Fund supports this planning process. STR applications are supported by permit fees.

RECOMMENDATION:

Accept public testimony regarding the adoption of Ordinance 03-0610-24.

REVIEWED BY:



Mark McCauley, County Administrator

Date 7/3/24

STATE OF WASHINGTON

COUNTY OF JEFFERSON

An Ordinance Relating to Development
Regulations for Short-Term Rentals,
Declaring an Emergency, and Establishing a
Moratorium on Acceptance and Processing of
Applications for Hospitality Establishment
Permits for Transient Residences or Transient
Guest Houses per Jefferson County Code
(JCC) 18.20.210(3)

ORDINANCE NO. 03-0610-24

WHEREAS, the Washington Constitution, Article XI, Section 11, 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 [36.32.120\(7\)](#) 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, the Growth Management Act, Chapter [36.70A](#) RCW requires Jefferson County to plan consistent with its provisions; and

WHEREAS, the Jefferson County Department of Community Development (DCD) has on its workplan for 2024 study and adoption of amendments to JCC [18.20.210](#) concerning development regulations for short-term rentals; and

WHEREAS, short-term rentals are considered accommodations for transient or tourist use of fewer than 30 days; and

WHEREAS, Jefferson County has issued approximately 76 land use permits for short-term rentals; and

WHEREAS, Jefferson County has information that suggests that there may be more than 400 short-term rentals in its jurisdiction operating without the required permits; and

WHEREAS, since Jefferson County will conduct a public planning process to review and potentially amend existing regulations for short-term rentals, it is possible that DCD could receive a substantial number of permit applications for short-term rentals submitted by applicants wishing to be vested under current regulations; and

WHEREAS, Jefferson County wishes to decide whether to change existing regulations and then be able to adopt new regulations, if any, before processing a substantial set of short-term rental applications under current rules; and

WHEREAS, without adequate land use regulation of short-term rentals, there may be life and safety concerns or impacts to neighbors; and

WHEREAS, the planning process will also address the issue of availability of long-term housing and how it is related to the number of short-term rentals in the county, and a moratorium would preserve the status quo to allow time for the County to adequately review the issue; and

WHEREAS, permitting of a large number of short-term rentals before Jefferson County has an opportunity to revisit applicable development regulations could threaten the integrity and rural character of rural areas in Jefferson County; and

WHEREAS, time is needed to study the issue of short-term rentals and potential effects of regulation in various parts of Jefferson County; and

WHEREAS, Jefferson County needs to adopt clear standards for determining who may operate a short-term rental business and under what conditions; and

WHEREAS, a number of other jurisdictions in Washington State have struggled to find a suitable balance in the regulation of short-term rentals, considering the needs of the unit owners, the needs of different segments of the community, and the needs of those who may rent the units; and

WHEREAS, Jefferson County needs to study this issue with input from the community concerning the most appropriate ways to regulate short-term rentals in Jefferson County, and has developed a work plan to facilitate the process; and

WHEREAS, an emergency exists necessitating adoption of a moratorium concerning the acceptance and processing of applications for land use approval of short-term rentals pursuant to Title [18 JCC](#), otherwise known as the Unified Development Code (UDC); and

WHEREAS, a moratorium enacted under RCW [36.70A.390](#) and RCW [36.70.795](#) provides a method by which a county may preserve the status quo so that new plans and regulations shall not be rendered moot by intervening development; and

WHEREAS, RCW [36.70A.390](#) and RCW [36.70.795](#) authorize the Board of County Commissioners to adopt and renew a moratorium, interim zoning map, interim zoning ordinance, or interim official control without holding a public hearing, as long as a public hearing is held within at least 60 days of its enactment; and

WHEREAS, pursuant to WAC [197-11-880](#), the adoption of a moratorium ordinance is exempt from the requirements of a threshold determination under the State Environmental Policy Act (SEPA) and future permanent zoning regulations shall be reviewed in accordance with SEPA Rules; and

WHEREAS, a moratorium shall provide Jefferson County with additional time to review and amend its land use regulations and, if necessary, its comprehensive plan related

to these issues in accordance with a work plan approved by the Board of County Commissioners; and

WHEREAS, the Board of County Commissioners concludes that an emergency moratorium is appropriate to preserve the status quo while it considers options for regulating short-term rentals; and

WHEREAS, Jefferson County adopted Ordinance No. [01-0408-24](#) on April 8, 2024, but it expired on its own terms on June 7, 2024 for failure to hold a hearing within 60 days; and

WHEREAS, significant work on developing a permanent ordinance consisted with the work plan in Ordinance No. [01-0408-24](#) has occurred since April 8, 2024, but more work needs to be done pursuant to the work plan adopted in Ordinance No. [01-0408-24](#); and

WHEREAS, the Board of County Commissioners has decided to adopt a new emergency moratorium for twelve months, less the time of the moratorium was in effect pursuant to Ordinance No. [01-0408-24](#), because the reasons for adopting Ordinance No. [01-0408-24](#) remain;

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

Section 1. Findings of Fact. The Board of County Commissioners adopts the above “WHEREAS” recitals as findings of fact. These findings of fact support the action as required by RCW [36.70A.390](#).

Section 2. Declaration of Emergency. The Board of County Commissioners hereby declares that a moratorium must be imposed as an emergency measure to prevent the submission of land use applications for short-term rentals to DCD in an attempt to vest rights for an indefinite period of time. A vesting of a large number of applications to existing regulations for short-term rentals would frustrate the ability of the County to study the issue and provide an adequate regulatory solution that balances the differing needs of members of community. The Board of County Commissioners finds as a fact and declares that an emergency exists and that this moratorium ordinance is necessary for the immediate preservation of public peace, health, or safety or for the support of county government and its existing public institutions.

Section 3. Moratorium Imposed. Jefferson County hereby establishes an immediate moratorium on the acceptance, processing, review or issuance of any application for a land use permit for short term rentals pursuant to JCC [18.20.210](#).

Exceptions to this moratorium include:

1. Any application for repair of an existing permitted or legally nonconforming onsite septic system, irrespective of the fact that there may be an existing, unpermitted short-term rental onsite;

2. Any application for repair, remodel, or expansion of an existing permitted or legally nonconforming single or multi-family residence, commercial or industrial structure, or facility owned by a public entity, irrespective of the fact that there may be an existing, unpermitted short-term rental onsite;
3. Any application for a short-term rental permit that is deemed complete by DCD prior to the date of the moratorium in Ordinance No. [01-0408-24](#);
4. Any building or development application which contains an accessory dwelling unit or other similar units that could be suitable for short-term rental in the future, but does not include an application for a short-term rental; and
5. Any publicly funded land use permit or building application or other development application used primarily for housing persons experiencing homelessness or low-income households.

Section 4. Duration of Moratorium. Because the County has developed a workplan in [Section 6](#), below, this moratorium shall be in effect from the effective date of this ordinance until April 7, 2025, one year from the effective date of Ordinance No. 01-0408-24, unless subsequently extended by the Board of County Commissioners pursuant to RCW [36.70A.390](#) and RCW [36.70.795](#).

Section 5. Public Hearing Required. As required by RCW [36.70A.390](#) and RCW [36.70.795](#), within 60 days of passage of this ordinance, the Board of County Commissioners shall hold a public hearing on this moratorium. The public hearing shall be held within 60 days of the passage of this ordinance, which is August 9, 2024.

Section 6. Work Plan. During the moratorium period, County staff shall complete the following work plan: (1) Study the issues concerning short-term rentals; (2) prepare a draft ordinance with appropriate revisions to Jefferson County's zoning and land use regulations and, if necessary, the comprehensive plan; (3) perform SEPA review of the draft ordinance; and (4) conduct a public review process for the amendments, which includes public hearings before Jefferson County's Planning Commission and Board of County Commissioners, if required.

Section 7. Effective Date. This ordinance shall take effect and be in full force and effect immediately upon passage.

Section 8. Conflict with Other Provisions of County Code. If the provisions of this moratorium are found to be inconsistent with other provisions of the Jefferson County Code, this moratorium shall control.

Section 9. Severability. The provisions of this ordinance are severable. If any section, sentence, clause or phrase of this ordinance or its application to any person or circumstance is held to be unconstitutional or unlawful by a court of competent jurisdiction, the remainder of this ordinance or application of its provisions or other persons or circumstances shall remain valid and unaffected.

Section 10. SEPA Compliance. This ordinance is categorically exempt from the State Environmental Policy Act under WAC [197-11-800\(19\)](#).

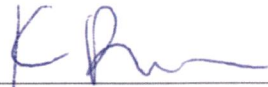
(SIGNATURES FOLLOW ON THE NEXT PAGE)

APPROVED and ADOPTED this 10th day of June, 2024.

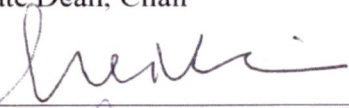
SEAL:

JEFFERSON COUNTY BOARD OF
COMMISSIONERS





Kate Dean, Chair

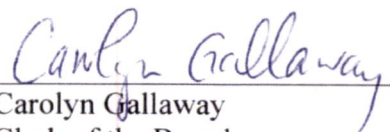


Heidi Eisenhour, Member



Greg Brotherton, Member

ATTEST:



Carolyn Gallaway
Clerk of the Board

Approved as to form only:



Philip C. Hunsucker Date
Chief Civil Deputy Prosecuting
Attorney

JEFFERSON COUNTY PLANNING COMMISSION

TO: Honorable Chair and Members of the Planning Commission

FROM: Brent A. Butler, AICP, Chief Strategy Officer

DATE: *July 3, 2024*

SUBJECT: Regulations governing rentals for less than 30 days

STATEMENT OF ISSUE:

Short Term Rentals (“STR”) subject to the Planning Commission’s current review and analysis is limited to rentals for less than 30 days in legally permitted Jefferson County housing. These regulations do not apply to STRs in the City of Port Townsend’s municipal boundaries.

2018 Comprehensive Plan

The Planning Commission review and analysis meets the expectation of the 2018 Jefferson County Comprehensive Plan (“CP”). Specifically, the CP’s Housing Plan states that the county shall: “Evaluate short-term rentals and consider policies to ensure a sufficient housing supply for year-round residents.” Furthermore, the CP’s Housing Action Plan is more specific. Exhibit 3-7 reads:

- ❖ “Evaluate short-term rentals using available local and state data sources. 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.”
- ❖ “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.

The Board of County Commissioners (“BoCC” or “Board”) adopted a limited term prohibition (moratorium) on new short term rental applications because of the possibility that the Department of Community Development (DCD) would receive a substantial number of short-term rental permit applications during this process. The BoCC also set July 8, 2024 at 11:00 AM as the hearing date and time to accept public testimony on this moratorium, as initially enacted by Ordinance No.01-0408-24, and reenacted by Ordinance 03-0610-24 on June 10, 2024.

These ordinances establish the five step workplan as set forth below:

- (1) Study the issues concerning short term rentals,
- (2) Prepare a draft ordinance with appropriate revisions,
- (3) Perform State Environmental Policy Act (SEPA) review of the ordinance,
- (4) Conduct a public review process.

BACKGROUND:

Significant distinctions exist between transient rentals in structures for which a septic permit was designed and properly permitted and HIP Camp or glamping type accommodations, which may not include septic permit approvals unless permitted in accordance with the conditional use provisions of the Jefferson County Code (JCC). For purposes of this agenda item, HIP Camp type of short-term rentals are considered separately, and identified as transient rentals without structures.

Considerations Affecting Both Types of Short-Term Rentals

The municipal research service center has broadly discussed the concerns associated with these types of uses and writes:

1. Lack of lodging and sales tax collection on these short-term rental stays;
2. Unregulated traffic, parking, and noise impacts on the surrounding neighborhood; and/or
3. Non-compliance with life/safety standards that are commonly applied to other types of lodging establishments (such as hotels, motels, and bed-and-breakfasts)?”

You can access more information on this topic by going to: <https://mrsc.org/stay-informed/mrsc-insight/february-2016/local-government-catching-up-with-airbnb>

Short Term Rentals in Structures (STRS)

Short term rentals, alternatively, are broadly permitted throughout the county in numerous zoning districts including: 1) Agriculture (AG), 2) Commercial Forest (CF), 3) Rural Forest (RF), 4) In-holding Forest (IF), 5) Rural Residential (RR):1:5, RR1:10, RR1:20 & 6) Rural Village Center (RVC).

Master Planned Resorts

Jefferson County’s two master planned resorts, including the Port Ludlow Master Planned Resort and the Pleasant Harbor Master Planned Resort area in part designed to accommodate short term rentals. In Port Ludlow, short term rentals are permissible in the RC/CF Zone. Additionally, the county code requires that at least 65% of the accommodations in the Pleasant Harbor Master Planned Resort consist of short-term rentals, as it is envisioned as a tourist destination. For specifics, please go to the Jefferson County Code Section 17.60.070 entitled, “*Resort cap and residential use restrictions*” and also JCC 18.15.123 entitled, “*Allowable uses*” Subsection (2) clearly states that short term visitor accommodations include but not limited to hotels, motels, lodges, and other residential uses...and shall constitute no less than 65% of rentals. It is also more broadly discussed in the definitions as permissible in Master Planned Resorts (see, 18.10.130 M definitions “Master Planned Resort”, and JCC 18.15.126 *Requirements for master planned resorts*)

ANALYSIS

Using the Planning Commission’s input and in consultation with the Board, the DCD Director, and the County Administrator, the Chief Strategy Officer (“CSO”) held three community sessions. One County Commissioner attended each session. Several Planning Commissioner also attended and staff shared the results as part of the Planning Commission’s regular agenda on May 1 and 15, 2024.

At the May 15, 2024 Planning Commission meeting, county staff working with the Planning Commission distilled the concerns, comments, and ideas into seven subcategories. These include: 1) enforcement, (2) limiting rentals, (3) owner-occupied versus other types, (4) neighborhood impacts, (5) tourism balance, (6) education/outreach and (7) life safety. Since some of the comments do not fall neatly within these seven areas, I've created an eighth row for entitled "other". On June 10, 2024, the county published a press release outlining the above seven topics as those subject to further review at the July 3rd meeting.

Phase One Outreach

March 12, 13 and 14, 2024 Workshops
May 1 & 15, 2024 Planning Commission meeting

TABLE 1: Public Input Informed Research Matrix			
Subject Area	March 12, 2024 Cape George	March 13, 2024 Tri-Area	March 14, 2024 Quilcene
Enforcement	1) In example 3, a jurisdiction limited numbers of cars and uses police to enforce parking violations 2) In example 4, impose an immediate fine that's removed upon compliance 3) Questions 3 and 4. Using the county GIS see if there's a permit; if there isn't, you should file a complaint or, alternatively, contact the Sheriff regarding a public nuisance 4) Question 5 options – a) contract with a third-party, b) revising the code to require platform-based enforcement.		1) In example 6, someone said we should have two enforcement procedures, one platform-based enforcement, and the other requirements for platform to post only those with valid permits
Limited Rentals	1) Question 6 options, a) population size-based cap, b) water availability-based cap, c) geography- and population-based caps, d) STR permission conditioned upon long term rental(s) 2) Corporate Rentals a) Prohibit rentals for 1st two years,	1) In example 1, an STR approval may have been conditioned upon a community benefit (in this case, a land dedication) 2) In Example 3, Cayucos, California approach to reduce density of STR is addressed by zoning. No two may be 100' radius or 200' linear feet from another	1) In example 1, people residing near the forest may rely on rental income. 2) In example 2, someone said that caps unequally distribute the rental profits throughout the region. 3) In example 3, someone suggested using limiting rentals to 10 percent of the housing stock (60

	b) Require carbon-based life form to sign permit, c) Require annual permit renewal process 3)	3) In example 4, Portland, Oregon sets up a process akin to a CUP for larger STRs (6 or more) with six conditions for STRs with 5 or less occupants) 4) Question 1 – if there’s a cap, should the county wait for the level to fall below the limit, wait for the next year’s annual permitting process (if adopted), or offer to the next on a waitlist. 5) In question 2, someone said a Cap based on density should be adopted, e.g., ABC licenses in California are an example, when a census tract or block is oversaturated, then no alcohol serving businesses may be approved.	out of 600 homes in Quilcene), or requiring the owner to live nearby 4) In example 9, someone said that we should consider a requirement for carbon-based life forms to sign the agreement.
Owner Occupied versus other types	1)	1) In example 4, Portland, Maine, documents that they exempt both STR and long-term rentals that are landlord-occupied with fewer than five units (note: rental control is in place in this city)	1) In example 8, someone shared that the tiered approach, which gives higher priority to resident-occupied housing should be prioritized.
Neighborhood Impacts	1) In example 1,-a Sedona, AZ homeowner shared his experience with a loss of community ith a high concentration of STRs. 2) In example 3, a community members shared concerns about speeding cars by STR occupants.	1) In question 7, someone suggested allowing unlimited rentals in areas not designated for residential use	
Tourism Balance		1) In question 4, someone asked about economic impacts, and income generated by platforms for which scant data is available.	
Education/Outreach	Notes: Since there are no specific public comments, the suggestions originate from the May 1 and 15, 2024 Planning Commission meetings 1) Commissioner Koan recommends and annual public outreach using social media and other media sources to share the requirements regarding STRs.		

Life Safety	Notes: Since there are no specific comments documented regarding this, comments originate from the May 1 and 15, 2024 Planning Commission meetings 1) Commissioner Coker stated that the egress window requirements may benefit firefighters by enabling them to access the structures from the outside 2) DCD issues a permit with conditions to address specific life-safety requirements (see Attachment 1- Conditions addressing life safety requirements).		
Other	1) Example 2 - Family related impacts (forced to move in high season)	1) In questions 3, staff researched what someone said about prices, namely that Airbnb increases housing prices. A survey of the literature suggests that this may be true.	1) In example 5, someone asked the impact of proposed leases on corporate rentals like Jefferson Healthcare 2) In example 7, someone shared the Sedona offers money if you provide short term rentals

RECOMMENDATION:

Consider the outreach proposal and any specific areas of interest you may have regarding the existing regulations.