



Staff Report for the Planning Commission

Report Date: 11/6/2017

Hearing Date: 11/14/2017

Project Name: 2017 batch of three Kitsap County Code (KCC) amendments

Proposal Summary:

The Department of Community Development recommends approval of the proposed 2017 batch of three Kitsap County Code (KCC) amendments which impact:

- vacation rentals;
- maximum lot size in Urban Growth Areas (UGAs); and
- paved parking areas in Urban Growth Areas (UGAs).

Background:

1. Short-Term Rentals (Bed and Breakfast House or Vacation Rentals): Section 17.410.050 A.34 and 17.570.010 Kitsap County Code (KCC)

In accordance with section 17.110.105 'Bed and Breakfast House' and 17.110.738 'Vacation rental', a short-term rental is a residential unit that provides overnight guest lodging for compensation on a short-term basis. Short-term rentals can include part or all of a residential structure available for rent. An owner or caretaker can reside on-site or offsite to manage the rental unit.

There are many non-regulated short-term rentals throughout Kitsap County. Short-term rentals have the potential to introduce a commercial use in a residential area. For example, a short-term rental can be used for wedding venues, corporate retreats, conferences, and similar uses which under Kitsap County Code require review to prevent potential adverse impacts to surrounding areas. Potential adverse impacts associated with short-term rentals include building and fire safety, trespassing, excess noise, parking congestion, trash storage and collection, speeding, water provisions, sewage capacity or service, and signage.

Complaints associated with short-term rentals described above were received by Kitsap County on a regular basis. In an attempt to address the ongoing issues, chapter 17.410 'Allowed Uses' of Kitsap County Code (KCC) was revised in 2016 to establish land use permit requirements for each zoning designation for short term rentals.

Under this adopted code, with few exceptions, a newly established short-term rental use requires:

- An administrative conditional use permit (ACUP) when one to four rooms are provided for lodging; or
- A conditional use permit (CUP) when five rooms or more are provided for lodging.

In order to address issues relating to existing short-term rentals that were established prior to the 2016 code amendments, **previously established** short-term rentals would be required to obtain a land use permit consistent with chapter 17.410 'Allowed Uses' Kitsap County Code (KCC) to continue operation. The land use permit requirement will allow Kitsap County to:

- provide a mechanism for neighbors to be notified and provide feedback on proposed uses;
- reduce potential adverse impacts to surrounding areas;
- reduce the number of complaints received;
- provide county services to short-term rental locations; and
- ensure building and fire regulations are met and the structure can accommodate proposed occupants.

2. Maximum Lot Size:

Section 17.420.060 A.25 Kitsap County Code (KCC)

Kitsap County adopted an updated list of reasonable measures on June 30, 2016. The Growth Management Act (GMA) required that if the County's Buildable Lands Report (BLR) demonstrated an inconsistency between the growth, development on the ground, and what was envisioned in the comprehensive plan, then the county must adopt and implement "measures that are reasonably likely to increase consistency over a subsequent five-year period" (RCW 36.70.A.215(4)). These measures are referred to as "reasonable measures", and are typically ordinance provisions or comprehensive plan policies that encourage growth in urban areas and protect rural and resource areas.

In August 2016, a maximum lot size was established for Urban Cluster Residential and Urban Low Residential zoning designations to help achieve minimum density requirements. However, recurring issues have emerged that warrant a change in code to refine the language adopted in 2016.

The proposed language provides exemptions from section 17.420.060 A.25 maximum lot size requirement in two situations:

- a project application demonstrates that the minimum density will be achieved without subdividing the parcel; or
- the net developable area is less than 18,000 square feet.

3. Paved Parking Areas in Urban Growth Areas (UGAs):

Section 17.490.020 H.4 Kitsap County Code (KCC)

Current code requires that parking lots in Urban Growth Areas (UGAs) be "durable and dustless surfaces." The intent of this code means a paved surface that can withstand vehicle loads and traffic. The Kitsap County Department of Community Development has consistently followed this interpretation. However, this language can also be read to allow gravel parking lots in certain situations, leading to challenges in the application process. Gravel parking lots, however, are not appropriate in UGAs as vehicle maneuvers can displace the parking area gravel and ultimately create uneven parking area surfaces. Changing code language from 'durable and dustless' to 'paved' is proposed to remove the possibility of misinterpretation.

SEPA (State Environmental Policy Act):

The State Environmental Policy Act (SEPA), found in Chapter 43.21C RCW (Revised Code of Washington), is a state law that requires the County to conduct an environmental impact review of any action that might have a significant, adverse impact on the environment. The review includes the completion of an Environmental Checklist by the applicant and a review of that checklist by the County. If it is determined that there will be environmental impacts, conditions are imposed upon the applicant to mitigate those impacts below the threshold of “major” environmental impacts. If the impacts cannot be mitigated, an environmental impact statement (EIS) must be prepared. The decision following environmental review, which may result in a Determination of Nonsignificance (DNS), Mitigated DNS, or the necessity for an EIS is called a threshold determination.

A Determination of Nonsignificance has been prepared for this non-project action and will be submitted for public review at least fourteen days prior to adoption of any code provisions.

Attachments:

- Attachment A: Summary of changes
- Attachment B: Detailed Changes

Darren Gurnee, Staff Planner

11/6/2017
Date

Dave Ward, Planning and Environmental Programs Manager

11/6/2017
Date

CC:

- Prosecutor’s Office, MS-35:
 - Lisa Nickel, Deputy Prosecuting Attorney
- Kitsap County Health District, MS-30
- Kitsap County Public Works Dept., MS-26
- DCD Staff:
 - Louisa Garbo, Department of Community Development Director
 - Jim Bolger, Department of Community Development Assistant Director
 - Dave Ward, Planning and Environmental Programs Manager
 - Scott Diener, Development Services and Engineering Program Manager
 - Meg Sands, Planner
 - Darren Gurnee, Planner
 - Liz Williams, Planner
 - Peter Best, Planner

Attachment A: 2017 batch of three Kitsap County Code (KCC) amendments

Summary of Changes

ID	Topic (Subject)	KCC Ref	Action	Goal, Policy, or Explanation
1.	Vacation Rentals (Permit requirements)	17.410.050 A. 34 17.570.010	<p>Revise footnote to add regulation for vacation rentals with more than four bedrooms.</p> <p>Staff is exploring additional amendments to the existing requirements. These changes include requiring:</p> <ul style="list-style-type: none"> • All vacation rentals obtain a permit to operate within six months of the effective date of the ordinance. • A registered agent be identified that is capable of responding within a half hour to a complaint at the property. • The landowner shall provide notification to adjacent property owners regarding changes to the registered agent. 	<p>Vacation rentals have the potential to change the character of a neighborhood due to the transient nature of the use. Vacation rentals are increasingly being used for other commercial venues such as weddings or company retreats. These types of commercial venues would typically require a permit and would be subject to review for permissibility, impacts, and potential conditions of operation.</p> <p>Currently only newly created vacation rentals are regulated, vacation rentals existing prior to June 30, 2016 are able to operate without a permit.</p> <p>In order to address issues relating to existing short-term rentals that were established prior to the 2016 code amendments, previously established short-term rentals would be required to obtain a land use permit consistent with chapter 17.410 'Allowed Uses' Kitsap County Code (KCC) to continue operation.</p>
2.	Maximum Lot Size: (Achieving urban density in Urban Growth Areas (UGA))	17.420.060 A.25	Provide exceptions from the subdivision requirements for lots over 18,000 square feet in Urban Growth Areas.	<p>The need to achieve a higher urban density within Urban Growth Areas is a consistent theme throughout the 2016 Comprehensive Plan. Current code requires subdivision of lots over 18,000 square feet within urban growth area and limits the lot size to no more than 9,000 square feet.</p> <p>Exemptions are proposed to increase Kitsap County Code consistency with the Comprehensive Plan.</p>

3.	Parking Areas: (Requirements of development in Urban Growth Areas (UGA))	17.490.020 H.4	Revise language to require new parking areas in Urban Growth Areas (UGA) to be “paved”.	Existing code requires parking lots to be “durable and dustless surfaces” which has resulted in gravel parking lots which was not the intent. Gravel parking lots are not considered durable and can adversely impact water quality.
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Attachment B: 2017 batch of three Kitsap County Code (KCC) amendments Detailed Changes

VACATION RENTALS

17.410.050 Footnotes for Zoning Use Tables.

A. Where noted on the preceding use tables, the following additional restrictions apply:

34. Bed and breakfast houses or vacation rentals with one to four sleeping rooms require an administrative conditional use permit; bed and breakfast houses or vacation rentals with five or more sleeping rooms require a hearing examiner conditional use permit. Bed and breakfast houses serving meals to patrons other than overnight guests require a hearing examiner conditional use permit. Vacation rentals with one or more sleeping rooms shall identify a registered agent that can respond to issues at the property within thirty minutes. The landowner of a vacation rental must notify abutting property owners of any changes to the registered agent. Notwithstanding any other provision in Title 17, including Chapter 17.570 Kitsap County Code, bed and breakfast houses and vacation rentals shall apply for the applicable conditional use permit within six months of the effective date of this Ordinance.

17.570.010 Nonconforming Uses, Structures, and Use of Structures Purpose.

Within the zoning districts established by this title or any amendment later adopted, there may exist uses of land and/or structures that were lawful before the effective date of the applicable regulations, but which would be restricted, regulated or prohibited under the terms of this title or future amendment. ~~Except as specifically allowed by this chapter, Unless specifically restricted under another provision of this Title,~~ this chapter is intended to permit-allow these nonconformities to continue until they are removed or discontinued.

MAXIMUM LOT SIZE

17.420.060 Footnotes for Tables.

A. Where noted on the preceding tables, the following additional provisions apply:

25. For new building permit applications on vacant lots over eighteen thousand square feet located in urban low residential (ULR) and urban cluster residential (UCR) zones, the maximum lot size shall not exceed nine thousand square feet. ~~;~~ ~~provided, however, that this restriction shall not apply if it conflicts with a condition imposed through subdivision approval.~~ This restriction shall not apply if:
- a. The net developable area of the existing parcel is less than eighteen thousand square feet; or
 - ~~a.b.~~ The project application will meet minimum density requirements as established by chapter 17.420 'Density, Dimensions, and Design'.

OFF-STREET PARKING AND LOADING

17.490.020 General provisions.

4. Within Urban Growth Areas (UGA's), Aa areas used for standing, ~~and~~ maneuvering and parking of vehicles shall ~~have be durable and dustless-paved, surfaces~~ maintained adequately for all-weather use, and so drained as to avoid flow of water across sidewalks;