

August 25, 2017

Planning and Development Commission  
Planning and Community Development Department  
210 Lottie Street  
Bellingham, WA 98226

Dear Commission Members:

Having spent over three years asking Whatcom County to review their short-term rental regulations, I can offer some perspective on that process for your current review of transient housing in residential neighborhoods.

We have three vacation rentals in our neighborhood and several toward Agate Bay on North Shore Road. All these properties have private boat launches with beach access and advertise the benefits of their private launches and docks for recreational boating, swimming and events.

The shoreline management program for each county and city really has no provision for conversion of "exempt" single-family homes to commercial uses of homes for vacation rentals for less than 30 days. Exemption from the substantial development requirements of the SMP only allows for the personal use of the home by the owner and their family. Thus, at least for our shorelines, most of these property conversions to short term rentals require a substantial development permit or a shoreline conditional use permit. Rural zoning in shorelines must also review LAMIRD laws and cumulative impacts associated with the growth management act's requirements. Commercial development in shorelines is restrictive.

Whatcom County has basically appealed to Ecology to review these requirements with the offer of a county conditional use permit but only on Lake Whatcom and all other shorelines of the county are somehow offered as "accessory" requiring only a register of the units. That limited regulation proposal is still pending with Ecology.

San Juan County is also updating their SMP and has proposed changes to their county zoning and SMP concerning vacation rentals for less than 30 days. They are proposing a shoreline conditional use permit in Rural zoning and a substantial development permit in all other shorelines. Their review is helpful in examining the consequences of conversion development from residential properties for long-term occupancy to short-term occupancy.

San Juan has experienced expansive growth of tourism in residential neighborhoods with investors from outside Washington State owning multiple properties and using real estate management companies to "manage" the nightly rental business process for them.

I have reviewed all San Juan County Hearing Examiner cases back to 2008 and a conditional use permit is never rejected because of neighbor concerns or past behaviors and activities at the site. In all cases the "conditions" are simply stated in writing and then the permit is issued and no further review ever happens. In other words, it becomes the responsibility of the owner to comply with the "conditions" of the permit and then the complaint driven process limits or prevents enforcement of properties that do not comply with the conditions of the permit issued.

Using San Juan County as an example of what could happen here with unlimited conditional use permitted vacation homes and short-term rentals for less than 30 days, the picture is pretty clear. Residential homes will generate more money for investors as short-term rentals if permits start allowing commercial conversion development.

Whatcom County planners concluded redefining Bed and Breakfast units and Vacation rentals as a "residential use" reduces the conflict in zoning and reduces shoreline regulations. That planning decision does not consider the impacts of multiple homes being converted to transient housing by one LLC or one owner and basically assumes short-term rentals are a minor "accessory" use of a home where a rental hardly ever happens.

However, when the reservation software of Airbnb and Homeaway introduced every online advertised home as available for rent to a nationwide market, the assumption of minor use is eliminated.

I hope that the City of Bellingham will make a more careful consideration of the marketing of our residential homes for transient housing profits. There will need to be more discussion before simply saying yes to these home profit centers.

Zoning can meet the needs of our future expanded tourism market with commercial and mixed use zoning best serving those needs. Much like the "Limited Areas of More Intensive Rural Development" (LAMIRD) standards outlined by the Growth Management Act, counties and cities can use that as model for establishing areas for homes used for transient housing.

Thank you,

Tani Sutley

3006 North Shore Road, Bellingham, WA 98226

August 29, 2017

Planning and Development Commission  
Planning and Community Development Department  
210 Lottie Street  
Bellingham, WA 98226

Dear Commission Members:

RE: Short Term Rentals of Residential units

I have already commented but have one additional comment on short-term rentals of residential units within the City of Bellingham.

Bellingham planners have in the past used their Bed and Breakfast conditional use permit to allow two rooms within a residential home for transient renters if the home is owner-occupied. It was my understanding that almost no one ever applied for such permits and the permit was mostly used for enforcement compliance. Since so few enforcement cases were ever examined, most people simply have not bothered with permits.

Two such enforcement cases included HE-15-PL-031 CUP2015-00004 and HE-07-PL-062.

Now short-term rentals where the owner is not on site is being permitted as a Bed and Breakfast unit.

However, the previous two compliance case discussions by the Hearing Examiner have stated:

1. "Planning Staff noted that B&B uses are identified as accessory uses to residential development rather than as commercial uses by the zoning code, in part because of the requirement for owner-occupancy."
2. "A CUP is required for bed and breakfast uses in residential zones, and a maximum of two rooms for transient housing are allowed in an owner-occupied residence."
3. "BMC 20.16.020 requires that a Bed and Breakfast be a single-family residence with no more than two rooms let for guests. ***This means that the property must be used as a single-family residence in order to qualify for use as a Bed and Breakfast. Only two rooms of the residence are allowed to be rented to guests. Rental of the entire house or rental of more than two rooms of the house to guests is prohibited.***"

Because of the historical zoning practice of requiring owner-occupancy for a bed and breakfast establishment, I think some explanation by City planners should be included in this current request to regulate short-term rentals regarding occupancy.

If the City really is concerned about housing for residents, then allowing non-owner occupied transient housing in every neighborhood is an invitation to investors for conversion development. The cost of a conditional use permit will not prevent investors from owning multiple properties for transient housing.

Further, stating a permit is currently available is also a tactic for grandfathering all the current users into compliance by applying for a B&B permit. If it is determined that short-term rentals should only be allowed by zoning instead of random "accessory" permits then many current STRs will be allowed to continue where future zoning might otherwise prevent such use.

I hope you will be able to find a solution to this zoning issue.

Tani Sutley

3006 North Shore Road, Bellingham, WA 98226



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Planning and Community Development  
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-----Original Message-----

From: Ellen Portman [mailto:walkport@comcast.net]  
Sent: Monday, September 4, 2017 9:28 AM  
To: Grp.PL.Planning Mail (planning@cob.org) <planning@cob.org>  
Cc: Grp.PL.Planning And Development Commission <planningcommission@cob.org>  
Subject: DAUS

Good morning-

I am writing to express my concerns about unilateral approval for DAUS in the City of Bellingham, especially since this appears to be in direct response to the shortage of available affordable rental units. It's no secret that many of the rentals, both detached and in-home units as well as rooms rented out to roommates, are being used as nightly rentals now, most of which are supposed to be illegal in the city. In fact, per an article in our own Bellingham Herald from April 2017, there are 300 airbnb listings. Just think how many people could be housed in these on a permanent basis. I believe that it would be prudent and responsible first for the city to take some action on restricting illegal nightly rentals; this would very likely result in most of these being re-converted into longterm rental solutions. Instead, the city has ignored those breaking the law; this actually results in a decline in quality of life for the neighbors with short-termers coming and going and it takes money right out of the pockets of businesses that rent out rooms by the night and then pay taxes into our city. I recently had a conversation with a woman who rents a room in her house (that she has typically used for a permanent roommate) through airbnb and she justified this saying that she can make quite a bit more money doing this than simply collecting the monthly rent payment from a roommate. When I asked her if she pays tax to the city on this, she was confused and said that she had no idea and hadn't really thought about it. I believe that she charges under \$50 a night for a room; do the math and this is \$1500 a month for a room that she could rent out to a full-time roommate for around \$500.

So, before leaping forward into a poorly thought through decision first take action on illegal nightly rentals and then let's see what's really needed with regards to affordable housing in Bellingham.

Ellen Portman  
walkport@comcast.net  
121 Sea Pines Lane, Bellingham, WA

To: Bellingham City Council

September 14, 2017

From: South Hill Neighborhood Association

CC: Mayor Kelli Linville  
Planning Commission

Subject: ADU Ordinance

The South Hill Neighborhood Association (SHNA) Board and general membership met on September 6, 2017 to discuss South Hill's position on the proposed ADU ordinance update. This memo was approved by the membership at the meeting.

The SHNA has been consistently commenting on ADU applications, and been instrumental in updating the current ordinance for the last 12 years. We have taken active positions on the Comprehensive Plan (October 7, 2016), and provided comments to modernizing the old ordinance in light of the South Hill having reached its maximum number of 20 units, triggering the current update.

We are one of Bellingham's older neighborhoods, which means that South Hill does not have protective covenants to protect our neighborhood character. We depend on the Mayor and City Council, our neighborhood plan, and zoning tables to protect our neighborhood character. We do wish to maintain the single-family character of our neighborhood, and support allowing attached ADU's, (A-ADUs) as currently provided in the outdated 1990 ordinances.

We support including the following requirements for any updated ADU ordinance.

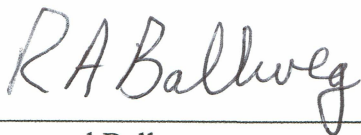
1. **Owner Occupancy** for all Attached ADU's (A-ADU's) including those which are not currently registered. Removing this current provision would enable real estate speculation and the creation of a neighborhood of rentals, "duplexes" and rooming houses owned by off-site landlords. Housing stock would be negatively impacted and those seeking home ownership would be forced to buy elsewhere possibly contributing to sprawl.
2. **No Detached ADU's** in Single Family zoned areas unless the neighborhood overwhelmingly agrees to allow their inclusion. Detached ADU's can decrease the current setback regulations, lessen neighbors access to sunlight, decrease green space while increasing runoff affecting water migration and stream flow.
3. **Adequate parking** for every ADU must be provided and emergency access ensured. South Hill has steep hills, narrow streets and alleys. Many streets have legal parking on only one side of the street. Emergency vehicles and Fire departments need reliable, adequate access to ensure the safety of residents.
4. **Mandatory Inventory** of all ADU's including non-registered (illegal) units and assessment of current densities of neighborhoods. The COB has stated that before allowing additional infill in existing neighborhoods, densities of neighborhoods would be assessed. To date, this has not been accomplished.

5. **Enforcement** of well-constructed penalties for noncompliance to building codes and regulations. The "rule of three", rental registration, non-permitted ADU construction are issues that are not currently enforced adequately, sometimes not at all. Without specific penalties and the means of enforcement, there is no incentive for compliance.
6. As **short term vacation rentals** such as VRBOs, Air BnBs, etc. have proliferated and have had a negative impact on the availability of housing for Bellingham residents. A separate and through public process to develop a Policy for Short Term Vacation Rentals (less than 30 days – Air BnB, VRBO, etc.) should be held. Conducting a business is against regulations in all Single Family Zoned areas. The business of vacation rentals, which could be providing affordable housing for Bellingham residents, is a contributing factor to the current housing shortage. Include rules for the use of ADU's in the ordinance which could prohibit short term rental of less than 30 days and include the means of enforcement.


The Neighborhood Associations within the City of Bellingham are the key protectors of neighborhood character. In the South Hill, we have worked to protect our single-family zones, and respect the key values which make us a unique neighborhood, such as views, older and historic home styles, and access to the City of Bellingham amenities like shorelines, parks and trails. We support diverse and vibrant neighborhoods, and we welcome future neighbors to the South Hill.

We are concerned that pitting single family home owners that value their existing neighborhoods with those families that are struggling to find a safe and affordable home in Bellingham is a disservice to all residents of Bellingham. We categorically reject the allegation that supporting single-family zoning is "exclusionary" and part of our "purported legacy of exclusion" towards lower income citizens, students and minorities. We ask the City of Bellingham to recognize that the SHNA welcomes infill and affordable housing, consistent with our current zoning plans, and we cherish the character and diversity of our neighborhood. We welcome all future neighbors.

Signed



Raymond Ballweg  
Acting President,  
South Hill Neighborhood Association



Jane Bright  
Vice President  
South Hill Neighborhood Association



**Aven, Heather M.**

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**From:** grazietoo@comcast.net  
**Sent:** Saturday, September 23, 2017 4:01 PM  
**To:** Grp.PL.Planning And Development Commission  
**Subject:** Comments on ADU/DDU/Airbnb Zoning Changes

September 23, 2017  
City of Bellingham Planning Commission  
Bellingham, Washington

Dear Bellingham City Planning Commissioners,

As you consider making zoning changes to to allow ADU/DDU/Airbnb's in Bellingham, I urge you to consider potential unintended economic and social consequences of such an action.

Although the good intention may be to provide homeless housing options, it is likely that you would be encouraging just the opposite as property owners and in-town/out-of-town developers envision a huge opportunity to make more money. These housing units would not be offered as low-income housing, unless there were government mandates requiring the owners to do so. Low income folks would again be priced out of housing they so desperately need.

It is true that other communities have ADU/DDU/Airbnb's and they are beginning to see some of the problems. For instance, to service the properties, a common practice is to hire contracted employees who work in isolated conditions, have no job benefits, no job security nor opportunities for career development. So in addition to the homeless still having no homes, you would have a sector of people in relatively lower paying jobs with no future and who are missing a big chunk of social job interaction.

Please be circumspect and open-minded in your decision making, taking time to consider all angles, instead of being lured into making a trendy decision which causes economic and social problems for Bellingham in the future.

You have a difficult challenge and there is no easy answer to homelessness. **Accept that any decision you make will be criticized.** But the best long-term, responsible solutions include career job development, rental caps, and developer impact fees.

(For more discussion about ADU/DDU/Airbnb's please see the 2017 New Yorker Magazine article listed below. It is primarily about Airbnb's but also has application to ADU/DDU's.

<https://www.newyorker.com/magazine/2017/05/15/is-the-gig-economy-working>).

Thank you for the good work you do.  
Shannon Parsons  
Birch Bay

**Aven, Heather M.**

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**From:** Ali Taysi <taysipc@yahoo.com>  
**Sent:** Wednesday, September 27, 2017 8:45 AM  
**To:** Aven, Heather M.  
**Subject:** Fw: VRBOs

Heather,

I received this comment from a member of the public regarding short term rentals. Please forward this to staff and the Planning Commission for consideration.

Thanks,

Ali

On Tuesday, September 26, 2017 2:58 PM, Erin Johnsen <crisanderin@gmail.com> wrote:

Hi Ali,

As you know, Cris and I live in a small neighborhood on an unimproved street. A couple years ago, the house directly across the street from us was sold to a couple that lives overseas, and the new owner turned the house over to a woman that manages VRBOs. We, and the neighbors on either side of the house were not thrilled with the results of this. VRBOs and other short-term rentals do not belong in single-family residential areas.

Having the house turned into a VRBO was not ideal to our residential family neighborhood. It was primarily rented out by the week as a party house. Families renting it out for WWU graduations, New Years' ski trips/parties, summer stays where the occupants were on the deck until the wee hours of the morning laughing and partying. They were on vacation, but these were typical weeknights/work nights for the neighboring homeowners. One of the most burdening guests was a visiting conductor for the Bellingham Festival of Music. For about three weeks, they held numerous large fundraising gatherings where our little gravel street was choked with cars, making it difficult to get to and from our own houses. As a VRBO, the house was a revolving door and frankly, as a mom, I was somewhat uncomfortable not knowing who was coming and going week in and week out.

When we, and some of the other neighbors contacted the property manager about our concerns, her response was simply "they're paying a lot of money to stay there".

This particular house is now leased to a nice, young professional and has been pulled from VRBO. Our experience with a VRBO in our neighborhood was poor, and we strongly feel these types of businesses do not belong anywhere near family housing.

Erin

Cris & Erin Johnsen  
1330 37th Street  
Bellingham, WA 98229

## Aven, Heather M.

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**From:** Michael Chiavario <mchiavario7@gmail.com>  
**Sent:** Wednesday, September 27, 2017 10:29 AM  
**To:** Grp.PL.Planning And Development Commission  
**Subject:** Short term rentals

### Commissioners:

Tom Scott discusses my concerns more articulately than I on this issue: allowing air bib's to help inflate the costs of rentals in Bellingham without even licensing or taxation. Am I missing something here?

### Tom's discussion:

At first glance this may seem like a rather inconsequential topic. However, as I listened to the Commissioners', almost uniformly pro stances, I quickly noticed some glaring yet glossed over issues.

1 - Why should one business in a given industry be significantly taxed and regulated while another business be given a pass? A - Seems like we are hamstringing above board "hospitality" or "transient accommodations" businesses while propping up mustang businesses doing the same market. B - Is this in the best interest of the community? 2 - a quick check on a smart phone immediately popped up housing stock (of which we are said to be short) which has been 100% diverted to this business. A - Almost half of the listings on the first page were obviously 24x7x52 businesses. One example property was a studio, which from the photo, was obviously furnished like one might expect any hotel room (that is not what one might expect to see in a primary dwelling of that size). Another was a large "mansion" in which all the rooms were available and also very picturesque with no "lived in feeling" to the rooms. It was purely a business and nobody's primary dwelling. B - As one would expect for transient accommodations, The charges were even higher than the already "unaffordable" rents in our neighborhoods. I could almost see something where a primary residence might be allowed to be used in this fashion for a couple weeks, three maximum. However, while that might have been the original idea for these web BnB's, that is certainly not the typical case anymore. The Commissioners were talking about 182 days per year of availability for any given housing unit or multiple rooms therein as a way to assure the unit is a primary residence. Commissioners were discussing "friends" properties which, from the discussion were apparently primary dwellings on a very part-time basis. Side Note: Bellingham's Planning & Community Development Department proposed virtually zero regulation for up to two (2) rooms in a dwelling used in such a manner and rather limited regulation above that threshold. They did not even mention availability in days. And a building of apartments or studios might even fly under these thresholds completely unfettered and maybe untaxed. So just don't up a neon sign on the street but have a web presence and voila, a hotel (not a motel, a hotel) paying fewer taxes in a residential area with a higher ratio of residents to personal vehicles (anecdotal even a private bus now and then). How does that sound to the hospitality businesses and workers in town? How does that sound to the Port of Bellingham (missing any hospitality taxes for the airport)? Interestingly, a couple Commissioners acknowledged the at least anecdotal evidence of how this subsector of the transient accommodations market presents very real enforcement problem of quality of life ordinances such as parking, loud parties, et cetera. Each time police are called for nuisance issues, they deal with new residents starting from scratch. They can't apply the ordinances regarding repeated nuisance issues for the same residents when they change all the time. The normal desire for fairness and an even playing field is not how this is working. Once again, the City is preparing to look the other way while providing a gold mine of untaxed or reduced tax revenue and therefore incentive to exploit Bellingham housing to the detriment of a super majority of Bellingham citizens. Further, when the biggest debate in City Hall is about how to encourage affordable housing (often espoused by some strange bedfellows, but I digress) it is completely counter-productive to encourage (through lack enforcement or willful disregard of transient accommodation laws) and foster businesses which A - Provide no fees nor taxes to the community to pay for the additional infrastructure needs in support of transient accommodations businesses; B - Put mini and micro motels in residential areas with all that entails; C - Remove housing stock some of which could otherwise be very affordable just as rental prices are spiraling out of reach for low to middle income families!

Please let me know how you as commission members are likely to vote. thanks,