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Anacortes Planning Commission
Municipal Building - Council Chambers
904 6th Street

February 28, 2024
6:00 PM

PRELIMINARY AGENDA
[Packet Materials](#) / [Watch Meeting](#)

1. **Roll Call**
2. **Minutes**
 - a. Minutes of 12.13.2023; 01.10.2024 and 01.24.2024.
3. **Public Comment**
4. **Public Hearings**
 - a. LEG-2023-03: Draft regulations for short-term rentals in the C, CBD, MMU and CM zones (Public Hearing)
5. **Other Business**
 - a. 2045 Population and Housing Projections
6. **Adjournment**

**Citizens wishing to comment on items not on the agenda may do so under Public Comment. Citizens wishing to comment during a public hearing may do so as those items are considered by the Planning Commission during the course of the meeting.*

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Anacortes Planning Commission Minutes - December 13, 2023

Roll Call: Ward MacKenzie; Linda Martin; Jeff Graf; William McCombs; Jim Stoneman; Frank Jeretzky; Paul Ryan.

Minutes of 09/27/2023 and 11/08/2023.

The minutes for the September 27th and November 8th Planning Commission meetings were accepted as presented.

Public Comment*

No public comment received.

Public Hearings

Proposed Code Amendments:

- **LEG-2023-02 - Amend AMC 19.49 Nonconforming uses and structures to provide for alterations and additions to nonconforming historic buildings**
- **LEG-2023-04 - Amend AMC 19.41.040 Principal uses permitted in residential zones and AMC 19.43.010 Household living to change certain housing types from conditional uses to permitted outright uses in the R2 and R3 zones**
- **LEG-2023-05 - Amend AMC 19.47.030 Accessory dwelling units (ADU) to remove owner occupancy requirements**

Libby Grage stated that there are 3 proposed amendments to Title 19 of the Anacortes Municipal Code that are on the agenda this evening for Public Hearing. She reviewed the background for the proposed amendments. The City followed AMC for legislative actions (AMC 19.16) and the GMA requirements for development regulation amendments. She reviewed these steps. The written comment period ended on December 6, 2023. Staff included all written comments in the Planning Commission packet for tonight's meeting.

a) **LEG-2023-02:** The proposal is to change the code to allow for non-conforming historic structures to be rebuilt or restored to their pre-existing non-conforming configuration. It also provides flexibility to add on or alter the existing non-conforming historic structure to promote investment and adaptive reuse while maintaining their historic character. She reviewed the definition of non-conforming structures. Typically routine maintenance, restoration or replacement, if the building comes into conformance are allowed, but this may conflict with the city's historic preservation goals. Ms. Grage gave the example of the Olson building. This building is in the MS zone which has 10-foot setbacks from the street. If this building needed to be rebuilt, it would not be able to be rebuilt with today's conformance standards. We received a few comments regarding this proposal. There was one in support and one from DAHP, who suggested proposed changes to the language. Their proposed language adds additional terms to clarify what could apply to historic buildings. This new language works better with the International Building Code and the standards that are in place for restoration of historic structures.

Linda Martin asked if the public comments that were added today speak to this proposed amendment. Libby clarified that there were two. One comment from a citizen in support of this proposal and the other from DAHP.

Ward MacKenzie asked if the City has been looking at other incentives for assisting with the redevelopment of historic buildings. He gave examples of tax breaks or other development options. The intent is to keep these historic buildings.

John Coleman stated that HACS comes up with ideas to address affordable housing, so there are lots of ideas in those meetings. The city is always looking at ways to make buildings more affordable, but no proposed changes are coming forth at this time.

Opened Public Hearing - no comment received.

Linda Martin asked if the language regarding additions is new. She wonders how that might play out; to add to the height of a historic building.

Libby said that the DAHP language encourages additions if it results in the adaptive re-use of the building. The goal is preservation of the building. Sometimes the addition will make the project pencil out so that the building can be maintained.

Linda Martin referenced the Olson building, asking if that building could add a story.

Libby agreed.

Paul Ryan asked if residential rehabilitation of a historic building occurs, do these alterations keep the historic nature of the building.

Ms. Grage pointed out that it is typically the exterior of the building that contributes to the historic designation.

Commissioner Ryan asked if the Planning Commission would review proposals to alter the exterior of those buildings.

Libby clarified that a building permit would be needed under these regulations. It's an administrative decision by the Director. They would need to submit plans delineating the proposed changes, which will be reviewed.

Ward MacKenzie asked if the staff could think of any other impacts that this will allow in these buildings.

Libby commented that this encompasses everything that could be proposed. It talks about any sort of change not resulting in the structure not being eligible for the Historic Register. The building still needs to maintain the characteristics that make it historic. There are standards and guidelines from DAHP to design the new elements so that they fit in with the historic portions of the building or are setback and delineated from the historic structure. .

Paul Ryan asked if Anacortes has a historic building code.

Mr. Coleman clarified that aside from the historic building list, we don't have historical building code. We follow the DAHP design standards for historic buildings. He reference section D2 regarding additions. We are saying that additions or alterations that do not increase the non-conformity or disrupt the eligibility of a structure to be on the historic registry. We are stating that DAHP standards to maintain the historic listing.

Motion: Commissioner Stoneman moved to accept the new section including the changes based on the DAHP changes as presented by staff. Commissioner Martin seconded. All ayes.

b) **LEG-2023-04:** This amendment would change duplexes from a conditional use to permitted outright in R2 zone and change triplex, townhomes and Multi-Family (up to 4 units) from a conditional use to permitted outright in the R3 zone. Libby reviewed the proposed changes to table 19.41.040. She clarified that this does not add new uses that were not already allowed for these zones, The proposal just removes the process for the conditional use process for these specific housing types in these zones. Applicants would still have to meet all the other applicable building and development regulations. She presented another change that would be needed in 19.43.010 to make the text compliant with the changes in the table. Libby presented the zoning map with the areas that would be affected by this change. There are several areas in R2 that have their own restrictive covenants that would continue to be applicable. There are also a few developments in R3 that have covenants as well.

Ms. Grage reviewed the background for this change, which is recommended in the Housing Action Plan that was adopted in January 2023. Some of these are to encourage affordable & market rate housing and housing variety. There was extensive public outreach and review process. The HAP findings reviewed Anacortes's

housing needs analysis (October 2022) which looked at the community profile, housing inventory and production trends, cost trends, housing and service needs, housing funding and policies, and land capacity. Some of the findings include: supply is not keeping up with demand as there is a need for an additional 3,019 units by 2045, and that the supply of housing is closely related to the price of housing. We also looked at racially disparate impacts per HB 1220. There are disproportionate impacts on people of color and there is a need for addressing easing regulations and streamlining standards to build middle housing in more locations throughout the city. She reviewed the HAP strategy 2.1. Changing from conditional to permitted outright, will streamline permitting and decrease uncertainty. The CUP is a long process. Staff feels that CUP's are no longer needed to address compatibility issues due to changes in the development regulations. If this change were made, the process would be cut in half and take much less time. The current process has 12 steps for review and can take up to 6 months. The new proposal would have 5-6 steps and take approximately 2 months. She reviewed the existing CUP criteria and pointed out that these concerns are addressed in the existing development standards.

Libby said we received a few comments that suggested postponing this until the 2025 periodic update to allow for more community dialogue and analysis of impacts. Another suggested keeping the current process for getting input from neighbors through the CUP, perhaps by streamlining this and changing it to an administrative CUP. This would still require public notice, but not a public hearing.

Commissioner Graf asked what the impetus is for doing this. He wondered if this is required by State law or if the City is looking to streamline the process.

Libby clarified this is streamlining our process. We are looking at the HAP and marking off some of the strategies that were highlighted as a priority. Some of this, such as HB 1220, will need to be reviewed in the Comprehensive Plan update process.

Paul Ryan asked if there is a current requirement for off-street parking per unit.

Libby agreed. It's based on the number of bedrooms per unit. These middle housing types have fewer parking requirements as compared to single-family residence.

John pointed out that is a perfect example of the codes we already have in place to address the impacts. He referenced Commissioner Graf's comment about where this was coming from. There has been a lot of talk about affordability. The City is trying to achieve our housing goals.

Commissioner Ryan asked how the infrastructure is able to handle these changes in density in the proposed zones.

Libby clarified this does not propose increasing the existing density. It only proposes to remove the CUP process for these types of housing units in these zones. For all building permits, the city has a concurrency review process, where water, sewer, stormwater, transportation, etc is reviewed to determine if there is adequate capacity to ensure that the levels of services will not decline due to the proposed development.

Commissioner McCombs referenced Skyline. He asked if the HOA has covenants, which takes precedent, city regulations or the private covenant.

Libby said that typically the more restrictive takes precedent. She pointed out that the City cannot enforce the private covenants. That would be between the property owner and the HOA.

Opened Public Hearing

Jim S. said his comments are about the Comprehensive Plan amendments. He gave his personal history living in other communities. This is an amazing place. He asked the Planning Commission to plan accordingly for development. He expressed his concern that VRBO drives affordable housing out of the reach of many citizens. He asks the Commissioners to consider the negative impacts to the community.

Mary Jo McCarty said there have been discussions about large housing developments. She wonders why we haven't talked about this type of change in other zones such as R1 and Old Town.

Libby stated that the HAP recommends looking at those areas during the Comprehensive Plan update. This

is something that the community will be having soon.

Commissioner Graf said he is not a big fan of removing public comment from this process. He recognizes that the current CUP process is slow. He doesn't think eliminating public comment is a good idea. Neighbors need to be given the opportunity to be a part of the process. We are kidding ourselves if we think this change, allowing these types of homes in these zones, will get to the additional homes we need by 2045. If the state is not mandating this, the City Council owes it to the community to keep the public comment in a more streamlined CUP process.

Frank Jeretzky asked if the public comment period has killed any projects.

Libby Grage pointed out that she looked at this today. She found that there's been one duplex permitted in the R2 zone over the last 10 years. The conditions of approval were in line with the development regulations. The people that applied, got the permit in the end.

John Coleman asked the Commissioners if the question is how many people just didn't apply due to the process.

Jeff Graf commented that is the City's fault. If the City is going to spend the time to put together a Housing Action Plan, then the City owes developers and citizens a process that helps incentivize this. Removing the public process is not right. He said that the R2 and R3 zones are so different. Affordability is not feasible in Skyline (R2). The R3 zone should be the focus for these types of housing.

Paul Ryan said that as far as building affordable housing, the energy codes and building costs are so high that it's hard to achieve. He's not sure how this will make things more affordable.

Libby stated there is not one thing to fix the affordability issue. The HAP gives multiple ideas that, in concert together, may help to archive that goal. It is a longer view. This is one step that the City has control over to make it a little bit easier to build those middle housing types.

Commissioner Graf said that from a developers' perspective, they will love this, but what about the neighbors in that area. We are removing them from the entire process, until the appeal process. He expressed concern that neighbors are being removed from weighing in on their own neighborhood.

Paul Ryan said many citizens fell in love with Anacortes because it's a small, friendly community where people know each other. Taking the neighbors voice away is not what we as a community want.

Linda Martin asked staff to clarify if the CUP process was being eliminated completely if the Planning Commission recommends that the City Council adopt these changes.

Libby clarified that the CUP process is not being eliminated. The CUP process still exists and is applicable to other uses. This proposal is to remove the CUP process for these specific housing types in these zones.

Commissioner Martin asked if there was an in-between solution.

Ms. Grage pointed out that there is the option of creating an administrative CUP which has a public comment period. We would need to amend portions of code to make this an option.

Ward MacKenzie said he's reluctant to make these changes because (1) it's holiday season, the public is not as active in the process during this time and (2) this feels like the state coming in and taking authority and responsibility away from the City. We need to thoroughly review these changes during the Comprehensive Plan update. We may want to seek an exemption from the State for some of these changes.

Mr. Coleman clarified that we are not under State mandate to make changes to 19.41.040 due to our population.

Jeff Graf stated he looked up HB1110. He read it to mean that anyone under the Urban Growth Act is required to act on this. He's hoping that we are exempt from this change. He suggested tabling this in an effort to get more public input.

John Coleman said this was not required by the State. The City found these issues and brought them forward. He pointed out that this can be continued.

Motion: Commissioner Graf moved to recommend to City Council that we defer implementing this item until further review during the Comprehensive Plan update process. Commissioner Martin seconded.

Paul Ryan recommended that staff provide more definition on this amendment when it's brought back. All

Ayes

c) **LEG-2023-05:** Accessory Dwelling Units: the proposal is to remove the requirement of owner occupancy for ADU. She reviewed the background. HB1337 amended the RCW to make changes in local governments' role in regulating ADU's. Staff will bring forth more amendments for the other items in HB1337. The proposed removal of owner occupancy is recommended by the HAP. The HAP identified that this requirement is discriminatory against renters and perpetuates economic exclusion; it raises the financial risk to owners by constraining choice of where they can live; and reduces the chances of receiving bank financing. The current requirement is difficult to enforce. She reviewed the revisions. Staff received comments where some were in support, and some requests to defer consideration until the Comprehensive Plan update to encourage public participation and additional analysis. There were comments about renters and their behaviors and the negative impacts to neighborhoods. There were quite a few comments around the relationship of these proposed changes and private CC&R's.

William McCombs asked if there are known impacts if this is deferred.

Ms. Grage commented that the impacts would likely be fewer ADU's being built during that time. This needs to be implemented by December 2025.

Commissioner Ryan asked if the Planning Commission would have time to work more on definitions and the specific requirements if deferred. He expressed concerns that many of the existing (unpermitted) ADU's are old and unsafe. The only time owners are concerned about the safety issue is when they are living on site. He's concerned that without the owner on property, we need a rental ordinance.

Jeff Graf pointed out that this is State law. We can't make the owner live there.

John Coleman addressed Commissioner Ryan's concerns stating this is for the issuance of permits. This does not give people the opportunity to rent out a space and call it an ADU. He clarified that all ADU's need to be permitted and meet the building code. Therefore, we are reviewing the life safety issues in the permit process. This is not permitting illegal or unsafe ADU's.

Commissioner Graf asked if the current code says anything about only having one ADU on the property. He also asked, when there is an HOA, do their covenants take precedence over the City.

Libby agreed that the current code allows for only one ADU on the property. She pointed out that the HOA would take precedence.

John Coleman clarified this does not allow for 2 ADU's on a lot. This is just to eliminate the owner occupancy requirement. The other portions of the State mandate will be brought forth at a later date.

Opened Public Hearing

Mary Jo McCarty pointed out this takes the requirement of owner occupancy away so that both units can be rented.

John Coleman agreed.

Mary Jo McCarty said she's hearing that there still needs to be a primary unit on the lot, but there can be 2 ADU's.

Ward MacKenzie clarified that the new state law requires us at some point to allow 2 ADU's, but that is not being discussed tonight. We are addressing the owner occupancy tonight.

Jim Stoneman stated that the primary residence can be rented out along with the ADU.

Mary Jo McCarty said this whole issue is about providing affordable housing in Anacortes. Taking away the requirement for owner occupancy, make this a rental community. History shows that renters typically don't take care of the property as the owner would. She expressed concern for the rest of the property owners in the neighborhood. This still doesn't address affordability. There isn't anything in the proposed language to address housing affordability.

Paul Ryan asked if we can add any conditions to this; such as requiring the owner live somewhere in Anacortes.

John Coleman said he did not know if that's possible. Staff will need to look at that option.

Ward McKenzie said he wants to be mindful of the public comments that talked about the deterioration of the neighborhoods when they are rentals. He asked why this needs to be brought forward right now.

Ms. Grage said this follows the HAP recommendations. Staff felt this was a straight forward change that could be made now and address the other parts later. Addressing it now, provides additional opportunities for development of more ADU's.

Paul Ryan said he would like staff to explore if we have additional options.

Mr. Coleman read the regulations regarding owner occupancy. We could pursue a condition that the owner live in the city, but that will be difficult to enforce.

Jeff Graf stated that if the owner isn't there, who will ensure that the property is taken care of. He agrees that there is no easy way to enforce that the owner lives in town. He wants to ensure that the property is maintained. He asked if there are ordinances that require maintenance of the property. He wants to ensure that the neighbor concerns are addressed.

Commissioner Ryan pointed out that Anacortes doesn't have a rental ordinance. If we did, those minimum health and safety issues would be addressed on a regular basis.

Jeff Graf said that if the City feels it's important to regulate short-term rentals, then the City needs to ensure that the surrounding neighbors are taken care of as well.

Libby Grage commented that the Municipal Code adopted the International Property Maintenance code. This allows the City to enforce health hazard related issues.

Ward MacKenzie said he doesn't feel any rush to piecemeal a change to code. He recommends this be included in Comprehensive Plan update.

Commissioner Martin said there are several public comments that ask what's the rush. This request is to remove the owner occupancy language. The benefit to this change is that maybe housing is easier to find. She understands that there are concerns about the neighborhood. Unfortunately, we cannot regulate that. We already have laws on upkeep of property. She suggests that the Planning Commission move this forward. William McCombs agrees that we are moving quickly on this. He understands the state mandate, but we have 2 years to address this. He doesn't see a huge difference in renting a SFR versus having 2 ADU's available for renting. If you look at the advantages of ADU's for a community, almost all of those apply to owner-occupied homes with ADU's.

Jeff Graf commented that there is not a lot of wiggle room here. This is a new state law that we need to implement. There are other things that need to be addressed; they are outside of this particular item.

Frank Jeretzky expressed concern regarding the public comments received that these properties will become rundown if there is no requirement for owner occupancy. He pointed out that owners of rental properties want to maintain them for future rentals. We can't assume that 2 units rented on the same property will result in an eye-sore or nuisance. Generally speaking, an ADU is smaller than a SFR, so it is usually a more affordable rental option.

Commissioner Ryan asked if the current requirements allow for a developer to place 2 ADU's onto one parcel.

Libby Grage clarified that currently there has to be a primary dwelling unit (usually a SFR), then you can build an ADU. Currently, the owner is required to live on site.

Closed all Public Hearings

Motion: Commissioner Jeretzky moved to approve the recommendation for removal of the owner occupancy for properties having an ADU. Commissioner Graf seconded.

Ayes: Graf, Stoneman, Jeretzky and Martin; Nay: Ryan, McCombs, and MacKenzie. The motion passes.

Other Business: None presented.

Adjournment: Adjourned: 7:52 pm

Anacortes Planning Commission Minutes - December 13, 2023

Anacortes Planning Commission Minutes - January 10, 2024

Roll Call: Linda Martin; Frank Jeretzky; Paul Ryan; Luke Currier; Mike Mills

Minutes: No minutes to review.

Public Comment

David Brunner, 2802 Oakes Ave, we have a neighborhood committee representing homeowners west of Stabbert Marine all the way to the bay. We want to be involved in the big work ahead of the Planning Commission in the Comprehensive Plan update. We want to bring attention to inconsistencies in the zoning in our area. He quoted from the 2016 Comprehensive Plan. The group that we represent are concerned about the activity going on in the LM zone designation. We want to be involved; we want to make it a better area; and we want to connect the Guemes Trail to town.

Public Hearings

Other Business

Election of Officers

Frank Jeretzky nominated Linda Martin for Chairperson. Paul Ryan seconded. There were no other nominations for Chair herd. Vote: All Ayes, Commissioner Martin abstained.

Linda Martin nominated Frank Jeretzky for Vice-Chairperson. Paul Ryan seconded. There were no other nominations for Vice-Chair. Vote: All Ayes, Commissioner Jeretzky abstained.

Introduction to Planning in the City of Anacortes

John Coleman introduced the 2 new Planning Commissioners. He reminded all Commissioners to use their microphone and point their voice to the microphone, so that those attending in person and online are able to hear you.

Mike Mills said he's lived in town for 8 years. He's on the board of his HOA and has years of experience in other states. He was born in Burlington and raised in Sedro Woolley. He's looking forward to working on the Comprehensive Plan update.

Luke Currier stated he's been a resident since 2020. He grew up on Whidbey Island, has a degree from Western Washington University and loves this city. He's a CEO in Land Title and excited to support Anacortes.

Mr. Coleman commented that tonight he's going to talk about what the Planning Commission does - Planning Under the Growth Management Act (GMA). Our department is the Planning, Community and Economic Development Department. He reviewed staff and their duties. The Planning Department handles front line customer service with permitting and land use. We also have Economic Development that works with the Chamber of Commerce and the Port of Anacortes, promoting tourism. We support the City Council and the associated planning related committees. We administer the CDBG grant. We prepare, administer, and implement land use plans, policies, and codes that guide and regulate the physical development of the City, including long range planning, which will be under the Planning Commission purview.

He referenced RCW 36.70A, which adopted the GMA. This is a living document that is updated yearly. It includes the Comprehensive Plan, UGA boundaries and Critical Areas Ordinances. All cities and counties are required to have all 3 of these. The Anacortes Comprehensive Pan elements include land use, housing, economic development, environment & conservation, parks, recreation & open space, transportation, capital facilities and utilities. Land use includes the guiding goals & policies on how land is developed and an inventory of what we have and how we are going to get there. The Comprehensive Plan looks at 20 years worth of growth with the current plan spanning 2016-2036. The Comprehensive Plan must also comply with development regulations (zoning); comply with countywide planning policies and the County

Comprehensive Plan; the county officially designates the UGA; and periodic updates (next due in 2025). The GMA review is required every 10 years. We will examine 20 years worth of population and employment growth starting in 2025. There is a framework agreement between the county and all the cities on how this will be reviewed and addressed. It is a recorded document that we follow to update the planning policies. We are updating the UGA based on population & employment figures for all of Skagit County, then an analysis is done to see historical growth figures and model growth rates for each city. The Planning Commission will discuss those numbers in future meetings. Another component is to divvy up the population and jobs for each jurisdiction. This estimates the future growth for our town.

The cities then study how they will accommodate the projected growth. We look at each and every parcel in a land capacity analysis to determine if there are opportunities for growth. Once we know that, we can start the process of determining where that growth will go. Some options are zoning changes, expanding the UGA's, or a combination thereof. All of this will be reviewed by the Planning Commission. You'll need to look at the infrastructure capacity, critical areas, utilities, connectivity, etc. We need to determine how to best accommodate the projected growth. We will study all the utilities and how we will accommodate the growth. Police and Fire are also taken into account. What was just described is the concept of concurrency, which means you cannot put development in the area unless you can show that the necessary infrastructure will be provided as development happens. We are also required to update the Critical Areas Ordinance. Fortunately, we recently completed the update to this ordinance, so we will review that and determine if there are necessary changes. We also have to make sure the development regulations are in line with the Comprehensive Plan.

Land use regulations and zoning are in Title 19 of the AMC. In that chapter, you'll see what's allowed in each zone. The uses for each zone are defined and determined if they are outright allowed, conditionally allowed or not allowed. All those details can be found in this title. If it is a conditional use, it will either come to Planning Commission or Hearing Examiner. The building code is also in Title 19, but the Planning Commission does not review that. We adopted the Washington State building codes. Included are the specific energy code requirements for structures.

There are other plans that come before the Planning Commission for recommendation. The Planning Commission largely does legislative changes that affect things city-wide, such as the Shoreline Master Program, the Housing Action Plan, the Design Standards and Guidelines and the Zoning Map. Commissioners can talk to anyone at anytime about these legislative items; but for quasi-judicial decisions, you are not allowed to speak with the other Commissioners, family, public, applicants, etc. There will be additional training on these quasi-judicial decisions. He reviewed the zoning map. He pointed out that within each of these zoning designations, you can visit Title 19 and see what's allowed in each zone. Building requirements and design standards are also listed. The Planning Commission will review those and make recommendations to the City Council to update them. For Legislative Amendments, the Planning Commission will hold a public hearing and make a recommendation to City Council. These are legislative actions that affect the entire community, not just an individual property owner or single piece of land. These include the Comprehensive Plan, Development Regulations, Shoreline Master Program, and other planning documents (ie HAP). For quasi-judicial hearings (see AMC 19.20), the Planning Commission will make recommendations to City Council or make final decisions on the application.

Regarding long range planning, John reviewed the items that have already been taken care of by the Planning Commission and moved to City Council. These include the R4 bonus height; SMP periodic update; HAP (we are in the process of implementing this); parklets (will be addressed in 2024); short-term rentals (will be coming to Planning Commission likely at next meeting); tree preservation (will start in 2024); the 2025 Comprehensive Plan periodic update, which will be coming soon to the Planning Commission. The 2025 update will include amendments based on the growth figures. He pointed out that cities now need to

plan for climate change, so that will be brought forward as well. We intend to do a greenhouse gas emission study and determine how they will be managed. We are required to study vehicle trips, so the Transportation Plan will look at this. Since we are adding a climate element to the Comprehensive Plan, we will look at resiliency and how to plan our infrastructure to withstand the changing weather regimes. For example, if there is flooding, how does that affect the waste water treatment plant which is close to sea-level. Another major component that we will be looking at is the housing element. We intend to use the Housing Action Plan in conjunction with the land use documents, to determine how to accommodate the future population. For example, if we are going to grow by 5000 people over the next 20 years, we need to determine how to accommodate that amount. The population projections now include a requirement to provide for specific income bands based on Area Median Income (AMI) of \$96,200 for a 2-person household. We have to analyze how to accommodate new housing for those income bands. We have to look at the real world costs today to determine the types of housing that will fit the needs of those in these income bands. Generally speaking, the housing types for income brackets below 120%AMI, will likely be multi-family, town-homes, and ADU's. He pointed out that the 0-30% AMI will be supported housing through other agencies; such as, the Anacortes Family Center, etc. Regarding the term missing middle, this references small apartment buildings, duplexes, townhomes, and smaller multi-family developments. The legislature passed a bill to make sure cities accommodate middle-housing. This doesn't apply to Anacortes, as we don't meet the minimum population of 25,000. In order to do our long-range planning, we anticipate having to make policy to address the missing middle. The good news is Anacortes is ahead of this because we already have regulations in place for many of these housing types to make this possible. He reviewed the changes brought before the Planning Commission recently to make these types of housing units allowed outright instead of requiring a public hearing and the CUP process. These types of changes make it easier to build the missing middle type housing in Anacortes. We need to determine how we can provide more affordable housing in Anacortes. The 2025 update process will have some contentious portions. We will have discussions about this and the public will have the opportunity to speak. The Planning Commission is the sounding board for all of these issues. Staff are here to support Commissioners during this process. He wants it to be very clear that any changes will come to Planning Commission for review, then to City Council for their decision.

Linda Martin asked where the population figures come from for the UGA and cities in Skagit County.

John Coleman clarified that he prefers the term "projections", in place of target because it implies we need to get there. The projections come from the Office of Financial Management. They do several studies and make a high, medium and low projection for each city. In 2016, Skagit County used the median numbers and we are using the median population projections this time as well. That goes to the county, then through the Skagit Council of Governments (SCOG), which includes all jurisdictions mayors and the 3 County Commissioners. They divvy out the numbers for the Comprehensive Plan process. We are on target for what was planned for in the 2016 update. SCOG makes recommendations for population and job growth for each city. Twenty percent population growth is anticipated in the County (excluding City limits and UGA's).

Commissioner Martin asked if there is an opportunity to negotiate the projected growth figure we are given. Mr. Coleman clarified that if Anacortes doesn't want to accept the projected growth, those figures would have to be reallocated to other areas in the county and surrounding cities. Alternatively, if we don't plan for it, but we continue to grow, we run the risk of having to say people cannot build here or we run the risk of not having the infrastructure in place to handle growth. He pointed out that providing infrastructure is expensive. Under the GMA, cities are the place for population to grow. We are trying to avoid leap-frog development and sprawl, which have huge costs to infrastructure. We want to maintain farms, forests, etc. We recognize that there needs to be balance. Providing more services in denser areas is more efficient.

Paul Ryan asked if there are projections to annex property.

John Coleman clarified that is solely driven by the property owners. They can also petition to be annexed. Often it's police, fire and sewer services that drives the homeowners to want to annex.

Luke Currier asked what the advantages or disadvantages, from a city perspective, to annexation.

John Coleman said the advantages are that we achieve our goals of providing growth per GMA. There's a

myth that it's driven by cities wanting to annex to get the property tax, but taxes on new residential annexations don't pay for the impact on providing services.

Mike Mills asked if there was a timeline for the Comprehensive Plan update since this will be a complex issue.

Mr. Coleman stated we hope to have that available in the next 1-2 months. The Planning Commission will be the sounding board. We are creating a public participation plan. That will identify how people will be able to participate in this process. They will know how the process will work. The public will have the opportunity to comment on the public participation portion.

Adjournment: Adjourned 7:17p.m.

Anacortes Planning Commission Minutes - January 24, 2024

Roll Call: Linda Martin; Frank Jeretzky; Jim Stoneman; William McCombs; Paul Ryan; Luke Currier; Mike Mills.

Minutes of December 13, 2023 and January 10, 2024.

The minutes for December 13, 2023 and January 10, 24 were postponed to the next agenda.

Public Comment

No comment heard.

Public Hearings

Other Business

Planning Commission roles and responsibilities discussion.

Darcy Swetnam said she's going to talk about Planning Commission Roles and Responsibilities due to the appointment of new commissioners. There is training for new commissioners that needs to be completed within 90 days. Please look for that email. She started a slideshow: Washington State law authorizes the Planning Commission under RCW 35A.63. The Commission has 2 roles; which are legislative actions and quasi-judicial actions. You serve as an advisory board to City Council. You will be doing a deep dive into things like the Comprehensive Plan update and Land Use Regulations. The Commission will make a recommendation to City Council after holding meetings and public hearings. Quasi-judicial decisions are those actions that affect individual rights; for example specific development proposals. She pointed out that AMC 2.42 created the Planning Commission. She recommends reading this chapter as it lays out your duties. AMC Title 19 is the Unified Development Code. This applies to land and land use issues within the City and Urban Growth Areas. These implement the Comprehensive Plan and state laws; and ensures that we meet state law requirements for combining and expediting development review and environmental review and development plans.

She reviewed the 2 types of actions/decisions. Legislative actions start with Planning Commission, which makes a recommendation to City Council. This includes adoption or amendments to the Comprehensive Plan, Land Use map and implementing development regulations. Quasi-judicial actions determine the legal rights, duties, or privileges of specific parties to an action. We have 3 bodies that make quasi-judicial decisions, which are the Hearing Examiner, City Council or Planning Commission. Title 19 lays out which body makes determinations for different types of projects.

Much of what we do is governed by the Growth Management Act (GMA). It requires Anacortes to develop a Comprehensive Plan to manage growth and address the 13 goals in the GMA. There are mandatory and optional elements. These address urban growth, critical areas, and natural resource lands. Issues related to GMA are appealed to Growth Management Hearings Board.

Darcy briefly reviewed RCW 42.30, Open Public Meetings Act. It requires all meetings of governing bodies to be open to the public. It's triggered whenever there is a quorum of Commissioners when discussing City business. She cautioned them to be mindful of serial meetings; such as emails between Commissioners. She recommended that they be mindful of these types of communications. The public must be given at least 24 hours notice of a hearing; includes requirements for minutes and record keeping. There are limited exceptions for executive sessions such as potential litigation, real estate transactions and personnel issues.

She reviewed the requirements for the public records act RCW 42.56, which requires all records of state and local agencies to be available to the public. Depending on the type of record, they have to be kept for a

specific amount of time. All Planning Commission records are subject to this and must be producible if requested.

She moved on to the Appearance of Fairness Doctrine, RCW 42.36, which requires decision makers to have procedurally fair hearings and unbiased in both appearance and fact. Proceedings must be procedurally fair. Meetings must appear to be conducted by impartial decision makers. The Appearance of Fairness Doctrine only applies to Shoreline Conditional Use and Variance permits, Shoreline Substantial Development Permits for projects valued less than \$1,000,000 on sites less than three acres. It does not apply to Legislative Issues. It requires decision makers to disqualify themselves if they prejudice the issue, have a bias in favor of one side in the proceedings, have a conflict of interest, or cannot otherwise be impartial. There is also a restriction on ex parte communication which is communication outside the formal proceedings. This includes Commissioners doing their own research; for example, if you want a site visit, staff needs to set that up for you. This can be raised as issues and undermine the validity of the decision and put you at risk for personal liability. If you have an ex parte communication, you can disclose that at the hearing for that project, which can be challenged at the meeting.

For quasi-judicial decision making, if the proposal meets the criteria in the code, the decisions makers (Planning Commissioners) have an obligation to approve the permit. Even if there is a lot of community opposition to a project, but it meets the code criteria, it would be an error to deny the application just based on community displeasure.

Luke Currier asked if the public is informed that the Planning Commission has to look at how the application meets the code.

Darcy Swetnam clarified that the staff report will identify what the applicable criteria is for each project.

Linda Martin asked Darcy to talk about emails and public records.

Ms. Swetnam said all emails from City staff are subject to disclosure. We have a program that captures all emails, even deleted ones. She recommended being cautious on what Commissioners use their City email for. She also mentioned that Commissioners should not use their personal emails for Planning Commission business.

John Coleman stated that at the last City Council meeting there was discussion regarding Planning Commission doing shoreline permit reviews. This plays into that. If the Council changed the current regulations to remove the Planning Commission from doing quasi-judicial decisions, it would go thru a whole process before that is decided. We wanted to remind Commissioners of the roles and responsibilities for quasi-judicial. There is some risk for Planning Commissioners for these decisions.

Darcy pointed out that many agencies don't have the Planning Commission or City Council doing quasi-judicial due to the possible risk.

Discussion: Draft Regulations for Short-Term Rentals in the Commercial (C), Central Business District (CBD), Marine Mixed Use (MMU), and Commercial Marine (CM) zones

Libby Grage said this is amending development regulations, which is a legislative decision for the Planning Commission. She gave background information on this. On March 27, 2023, City Council adopted Ordinance 4046 enacting a moratorium on short-term rentals. Then on May 22nd, Council adopted Ordinance 4052 to extend the moratorium. Tonight's proposal is for draft permanent regulations. She reviewed Ordinance 4046, stating that the City Council found that there was community concern regarding these short-term rentals and contrary to the City's goals for promoting housing development for people wanting to live and work in Anacortes. She showed the City zoning map with areas outlined in black dashes where the moratorium applies. The unaffected zones are mostly residential zones, Short-term rentals are already prohibited, unless already established/ licensed prior to the moratorium.

Commissioner McCombs asked if this is permanent.

Ms. Grage clarified that the moratorium is not permanent; excluding the residential areas.

William McCombs asked if the licensed short-term rental is sold, is the license transferred.

Libby agreed.

Paul Ryan asked how many units are currently active under the old allowable ordinance in the zones being discussed tonight.

Libby said there are very few and estimated less than 20. She reviewed the history prior to 2018 for short-term rentals. They were generally allowed in most zones. In 2019, Ordinance 3040 was adopted which created an overnight lodging use category for less than 30 day stays. This is when overnight lodging in residential zones was prohibited. The exception is bed & breakfasts, which have specific standards, including owner occupancy. They are a condition use with restrictions that can be allowed if met. She reviewed the current Municipal Code for overnight lodging. Prior to 2019, single purpose residential uses were restricted or not allowed in the CBD, C or CM zones. In order to build any residential units in those areas, you would have to have commercial uses on the ground level and residential uses above; other zones had conditional use permit requirements.

During the 2016 Comprehensive Plan update, there were goals and policies put in place to increase housing units and types. It was noted that very few, if any, mixed use buildings had been developed over the past 20 years. That was a sign that the market did not support that type of development. This led to recommendations to ease restrictions on single purpose residential in C, CBD, MMU zones; and provide bonus height incentives in exchange for public benefits (i.e. including affordable, small units). In 2019, Ordinance 3040 amended the development regulations to allow single purpose Multi-Family under certain circumstances in the CBD, C, MMU, and CM zones. It also allowed for taller buildings, subject to provisions for affordable units, etc.

Ms. Grage reviewed community concerns since the 2019 development regulation update. Some of those concerns are conversions of these allowed dwelling units to short-term rentals. This is contrary to the housing goals in the Comprehensive Plan. Another concern is that the units achieved through the height bonus allowances should be preserved for permanent housing; and concern that the new neighborhoods that are created under this could result in many vacant homes during parts of the year. We want vibrant neighborhoods, which that does not promote. She reviewed the City Council workplan timeline for this update.

Ms. Grage reviewed the proposed regulations. Amending AMC 19.44 Commercial Uses to add short-term rentals as a specific use. In that same section, we will add a definition for short-term rentals. The new language also addresses current short-term rentals Table 19.41.050 would also need to be updated.

William McCombs asked if staff had data on the impact short-term rentals have on housing.

Libby Grage said there is no local information, but short-term rental studies across the nation show that they do have an effect on overall housing costs.

Mr. McCombs stated he understands that there are concerns, but he doesn't know how short-term rentals impact our community.

Ms. Grage clarified that our community has a zero percent vacancy rate. The concern with short-term rentals is that they take units off the market for long term rental. People who want to live here can't because there are no units available.

Paul Ryan asked how many Single Family Residences and Duplexes are in these areas.

Libby said staff did not have that figure, but this also applies to other housing types. We could get that information to the Planning Commission if they would like.

Mr. Ryan stated he wants to better understand the effect.

Luke Currier referenced Bed & Breakfast's, stating those are in a whole different category than this because of the owner occupancy.

Ms. Grage clarified that the concern is renting out entire units as short-term rentals, which takes those off the market for individuals that want to work and live here.

Jim Stoneman asked if this change included Air B&B's.

Libby agreed. That is one platform for advertising short-term rentals.

Mike Mills referenced the approximate 20 units that are grandfathered in these areas. He asked if there are other units in different zones that would fall under grandfathering.

Libby agrees. She pointed out that it's really hard to say how many.

John clarified that the way we track the grandfathered units is by a valid business license. We did a search for those and the data is not 100% accurate, but there look to be 60 throughout the City. The issue is how the applicant fills out their business license. If they don't state that they are a short-term rental, it may not be captured. We are cleaning up the ones we come across that are not listed as short-term rental, but should be. He gave the example of a building that has 8 units that turned to short-term rental, but those units were intended to be affordable housing. This is what prompted the moratorium. We are here to study the issue and see how to manage them.

Mr. Mills wondered if grandfathering should be discussed as well.

Darcy clarified that was written into the moratorium, but preexisting non-conforming uses are generally allowed. She pointed out that it's hard to retroactively prohibit something.

John referenced the new language, 19.44.050 D(2)(a). This allows the grandfathered units that have a business license to continue, but added language that clarifies if the owner ceases to operate that business, then the non-conforming status is lost and it cannot continue as short-term rental.

Mr. McCombs asked if the City has looked at any other solutions.

Libby clarified that the direction staff was given by City Council was to address the moratorium. There could be options for other solutions after additional discussion. This proposal is at the direction of City Council.

William McCombs wondered if staff had looked at ways to open up more housing.

Mr. Coleman said he's not aware of other ways to manage this.

William McCombs pointed out that if the problem is people are buying properties just to have Air B&B's, there must be somethings we can do. He expressed concern at banning short-term rentals outright.

Paul Ryan asked if there is a rental registration. He pointed out that other municipalities use this; while other communities have regulations per unit.

Ms. Grage stated staff hasn't looked at that yet because the proposal was to not allow short-term rentals.

John asked Mr. Ryan to clarify how a rental registration would address the concern of losing housing stock to short-term rentals.

Mr. Ryan said it would identify how many are out there and where they are at. The revenue could offset the administrative costs.

Luke Currier asked if the rental registry would be in addition to business license.

Paul Ryan clarified that for certain short-term rentals in Washington State, the owner has to register as an operator. Anacortes could require short-term rentals to register. This addresses safety, non-conformity, and provides for fines for those that don't comply. We need to look at how to manage all of these. Without knowing where they are, we cannot do that.

Linda Martin said she likes the proposal with minor tweaks. She suggested where short-term rentals are defined, we should add hostels. Then in the Bed & Breakfast under section D, it talks about off-street parking, which is an issue. She suggested adding some language regarding off-site parking similar to the language we already have for the Bed & Breakfast.

Libby asked if existing non-conforming short-term rentals need to provide parking. She pointed out that under this proposal, no new short-term rentals are allowed.

Paul Ryan agreed that parking is a huge concern. He wondered if we are able to add parking requirements.

Ms. Martin retracted her suggesting to address parking since short-term rentals are going to be banned.

John clarified that could be addressed in the parking standards. we would need to include short-term rentals in that section to address those concerns. If we do allow short-term rentals, we should consider amending the parking chapter. If we don't allow short-term rentals, there is no point in adding it to the parking standard. Mr. Ryan pointed out that Anacortes is a destination city. Short-term rentals could be an income generator. They could also add jobs for maintenance and upkeep of the short-term rentals.

Libby agreed that there are benefits to maintain short-term rentals and reasons to allow them, but that is not the topic at hand. She asked the Planning Commission to provide direction to staff if they want to go in that direction.

Luke Currier commented that the Commission will be looking at the Comprehensive Plan. He asked how eliminating short-term rentals will impact that process.

Ms. Grage clarified that the big focus of that process will be planning for the 20-year growth projection and this is a part of that. She agreed that more available homes are needed and studies show that short-term rentals take those units. We are planning on advertising for the Public Hearing on February 14th. People can submit comments prior to the hearing so that staff can review them.

Paul Ryan asked if the Commission recommended lifting the moratorium, even for short term to study the housing impact, could that decision be reversed.

Libby aid the effect of the proposed regulations would do the same as the moratorium is doing now. At any time, if the City Council lifted this to allow short-term rentals, then it would come back to the Planning Commission for another hearing. .

Planning Department Update

John pointed out that there is a new standing item on the agenda called the Planning Department update. This is to close the loop for items that the Planning Commission reviewed that went to City Council. At the last City Council meeting, they passed 3 different code amendments. Those all came through Planning Commission on November 8, 2023. They were to change conditional uses to outwardly permitted. The Commission recommended delaying that decision until the Comprehensive Plan update. The City Council took a long time deliberating on this. They decided to adopt as recommended, which was against the Planning Commission recommendation. They also reviewed the ADU owner occupancy issue. The Planning Commission recommended adoption, and City Council concurred. The last thing they reviewed was changing the non-conforming regulations for existing historical buildings so that when they are being remodeled or rebuilt, they will not have to follow the same setback standards as a new building.

There is a grant award the City is receiving from Department of Commerce for the Comprehensive Plan updates. The award is based on the size of the city, so we were offered a \$125,000 grant. I will review this again with Planning Commission when the Comprehensive Plan comes back. We are working with Makers for the update. They did the 2016 Comprehensive Plan and Development Regulations updates. There is still a lot of work for staff to do on this. We are hoping to kick off the Comprehensive Plan process on February 28, 2024. We are also waiting on a \$500K grant from Commerce for the climate impact for the Comprehensive Plan update. This is a new element for the update. There will be a total of \$625K for this update. Some of the funds will be for public outreach, studies, consultants, and public participation planning.

Adjournment: 7:26 p.m.



Planning Commission Agenda Bill

Meeting Date: February 28, 2024

Agenda Item: 4.a.

Subject: LEG-2023-03: Draft regulations for short-term rentals in the C, CBD, MMU and CM zones (Public Hearing)

Staff Contact: LIBBY GRAGE

Approved for Submittal to Commission by

LIBBY GRAGE

John Coleman

Action Type

Public Hearing

Summary Statement: The Planning Commission will hold a public hearing to take comment on proposed draft regulations addressing short-term rental of residential dwelling units in the Commercial (C), Central Business District (CBD), Marine Mixed Use (MMU) and Commercial Marine (CM) zones. After the close of the public hearing, the Planning Commission should deliberate and make a recommendation to the City Council.

Background: Please see the attached staff report.

Previous Action: Staff introduced this item at the [January 24, 2024 Planning Commission meeting](#).

Competing Viewpoints Considered: A written public comment period and public hearing are required for this proposal.

Recommended Motion: I move to recommend approval of the proposal to City Council.

Alternative Actions: Do not recommend approval.
Recommend approval with changes.

Attachments (listed in order presented):

1. Staff Report, with draft amendments
2. Public Notice
3. Signed DNS
4. Environmental Checklist
5. 20240215-Pascual
6. 20240220-Allen
7. 20240220-Scott
8. 20240220-Weisz
9. 20240221-Heiner
10. 20240221-Rohner
11. 20240221-Russell
12. 20240221-Soria
13. 20240212-Goold
14. 20240212-Middleton

15. 20240214-Puppe
16. 20240223-Hayes



Planning, Community, & Economic Development Department

904 6th Street / PO Box 547, Anacortes WA 98221

Staff Report

Date: February 22, 2024

From: Planning, Community, and Economic Development Department
Contact: Libby Grage, Planning Manager

Subject: LEG-2023-03: Adding a definition for short-term rentals and regulating the short-term rental of dwelling units in the C, CBD, MMU and CM zones

This staff report has been prepared in advance of the public hearing on this subject to provide background information and analysis that may be useful during consideration of the proposal.

1. SUMMARY

In 2023, City Council adopted Ordinances [4046](#) and [4052](#) enacting and extending a moratorium on the establishment of new overnight lodging use of residential dwelling units in the Commercial (C), Central Business District (CBD), Marine Mixed Use (MMU), and Commercial Marine (CM) zones¹. “Overnight lodging” use is defined as “accommodations arranged for short-term stays (less than 30 days)”. The City Council found that the use of residential dwelling units as overnight lodging in these commercial zones was the subject of community concern and contrary to the City’s goals of promoting housing development for people who live and work in Anacortes.

Ordinance 4052 directed the development of permanent regulations addressing overnight lodging (short-term rental) use of residential dwelling units in the referenced zones. The Planning, Community and Economic Development (PCED) Department has prepared draft proposed amendments for public review and comment.

In summary, PCED’s recommendations are as follows:

1. Add the term “short-term rental” and associated definition to [AMC Ch. 19.44.050 Overnight Lodging](#).
2. Prohibit new short-term rentals in the C, CBD, MMU and CM zones ([AMC Table 19.41.050, Principal uses permitted in mixed-use and industrial zones](#)).
3. Allow continued operation of existing, legally permitted short-term rentals that have maintained a current City business license.

¹ See [Attachment B](#) for a map of affected areas.

See [Section 3, Draft Code Proposal](#), and [Attachment A](#), for full details.

NOTE: Overnight lodging use (short-term rental) of dwellings in Anacortes' residential zones (R1, R2, R3, etc.) has been prohibited since August 2019, except for bed and breakfast establishments, which require the owner to reside at the property, and a conditional use permit in most residential zones. The current proposal does not propose changing the existing regulations for short-term rentals in residential zones.

2. BACKGROUND

While not currently defined in the Anacortes Municipal Code, short-term rentals, also known as vacation rentals, generally refer to an activity in which all or part of a home is rented out for a fee on a temporary basis (typically less than 30 days).

The rise in prevalence of on-line rental platforms over the past approximately 15 years has made short-term rentals more accessible to both hosts and users, resulting in significant growth of the industry. Impacted communities have been challenged to address short-term rentals in a way that best balances their benefits and negative impacts. A community's approach to regulating short-term rentals will depend on its context, goals, and priorities. The table below shows some examples of common policy goals and corresponding approaches to short-term rental regulation.

**Examples of common policy goals for regulating short-term rentals
and possible regulatory approaches²**

Policy Goals	Regulation approach
Prevent the loss of rental housing	Adopt a permit requirement and institute a host residency requirement.
Combat displacement	Adopt a permit requirement and set a quota on the number of STRs that are allowed to operate in a certain zoning district. Consider dedicating some revenue generated from permit fees or taxes to affordable housing or home-ownership programs. Explicitly restrict affordable housing units from being rented out as STRs.
Preserve the residential quality of neighborhoods	Adopt a permit requirement and include a limit to the number of people that can stay in a STR. Require a "Good Neighbor Guide". Set restrictions on the number of STRs that are allowed to operate in a particular neighborhood.
Balance the needs and rights of property owners and neighbors	Adopt a permit requirement and establish a process for revoking permits from properties in violation. Establish a 24/7 hotline that residents can call to report non-emergencies.
Ensure health and safety of guests and residents	Adopt a permit requirement that requires each listing to include a local contact who can be reached at any time. Institute a permanent residency requirement.
Capturing tax revenue	Adopt a permit requirement that will make it easier to identify whether hosts are complying and paying appropriate fees. Use permit and tax revenue to hire additional staff or 3 rd party to monitor compliance.

² Adapted from Short-Term Rental Regulations: A Guide for Local Governments, National League of Cities ([Short-Term Rental Regulations: A Guide for Local Governments - National League of Cities \(nlc.org\)](#))

Support tourism in a balanced way	Adopt a permit requirement and set an annual permit reapplication. Make clear that applications can be denied if regulations change.
Allow for economic gain for residents	Adopt a permit requirement. The permit system should be simple and easy to navigate, especially if the city is trying to encourage more permanent residents to host on a part-time basis.

State and Local Regulatory Framework and Policy Guidance

Washington State

The state of Washington regulates short-term rentals under [RCW 64.37 Short-Term Rentals](#). RCW 64.37 was enacted by the legislature in 2019, in part, to “level the playing field” between traditional hotels and short-term rentals. The law defines short-term rentals, and provides requirements for remittance of applicable taxes (including lodging tax to local jurisdictions), requirements for consumer safety, liability insurance, and platform registration with the Dept. of Revenue.

City of Anacortes

Current regulation of short-term rentals

The City currently regulates short-term rentals as “overnight lodging”, as defined in [AMC 19.44.050](#). AMC Tables [19.41.040](#) and [19.41.050](#) show the zones in which “overnight lodging” is permitted. Overnight lodging, is not currently permitted in residential zones, except that bed and breakfasts (where the owner is the operator and resides on premises) are allowed with a conditional use permit in most residential zones.

Prior to the current moratorium, all types of “overnight lodging” uses were permitted in the C, CBD, MMU and CM zones. The moratorium applies to “any use constituting rental of lodging for a period less than 30 days... within a residential dwelling unit...”. Therefore, the moratorium applies to short-term rentals and bed and breakfasts in the C, CBD, MMU and CM zones.

When permitted, short-term rentals must obtain a City business license pursuant [AMC Ch. 5.04](#), *Business license requirements and fees*.

Historic regulation of short-term rentals and policy background

Prior to 2019, the City did not have specific zoning or land use regulations addressing short-term rentals, except for those qualifying as bed and breakfasts. Rental for less than 30 days of a dwelling that was not a bed and breakfast was generally interpreted to be permitted in most mixed-use and residential zones throughout Anacortes, provided a city business license was obtained.

In 2016, the Anacortes City Council adopted a new [Comprehensive Plan](#) (“2016 Comprehensive Plan”) with goals and policies focused on ensuring that Anacortes has sufficient supply and diversity of housing to meet community members’ evolving needs. Supporting policies include, but are not limited to:

- encouraging preservation of existing affordable housing,

- easing restrictions on construction of new residential development in some mixed-use zones, and
- considering various zoning incentives to help meet housing diversity and affordability goals.

On July 22, 2019, the City Council adopted [Ordinance 3040](#), amending the Anacortes Municipal Code (AMC) development regulations to implement the goals and policies of the 2016 Comprehensive Plan. The amendments did the following:

- Prohibited new overnight lodging/short-term rentals (except bed and breakfasts) in residential zones.
- Added regulations intended to increase housing supply and diversity, such as:
 - Allowing construction of single-purpose residential development within the C, CBD, CM and MMU zones, instead of requiring a commercial use on the first floor; and
 - Adding provisions for development to achieve increased building heights in exchange for public benefits (including affordable housing and small units).

The years 2020 and 2021 saw the permitting and construction of multiple townhouse and multifamily developments utilizing the new development regulations adopted under Ord. 3040. After construction, some of these new units were converted into short-term rental units. This was seen as contrary to the City's housing goals and was one of the reasons for the Council's adoption of the current short-term rental moratorium (Ordinances 4046 & 4052). In addition, some community members felt it was important to ensure that any future housing units achieved through use of bonus incentives remain permanent housing for residents and not be allowed to convert to a short-term rental use.

Anacortes' current short-term rental landscape

Number and type of rentals

In 2021, the Department received data from Granicus.com regarding the short-term rental market in Anacortes. It is important to note that the data discussed below is for the entire City (all zoning designations), whereas the current amendment proposal only involves the C, CBD, MMU and CM zones. According to the city-wide data, in April 2021:

- There were approximately 82 short-term rental listings in Anacortes. *(In 2024, staff estimate approximately 10-20 short-term rentals located in the C, CBD, MMU and CM zones)*
- The median nightly rate was \$156.
- 88% of the listings were single-family homes and 10% were multifamily homes.
- Entire homes made up 86% of the listings, while 14% were partial homes (rooms).

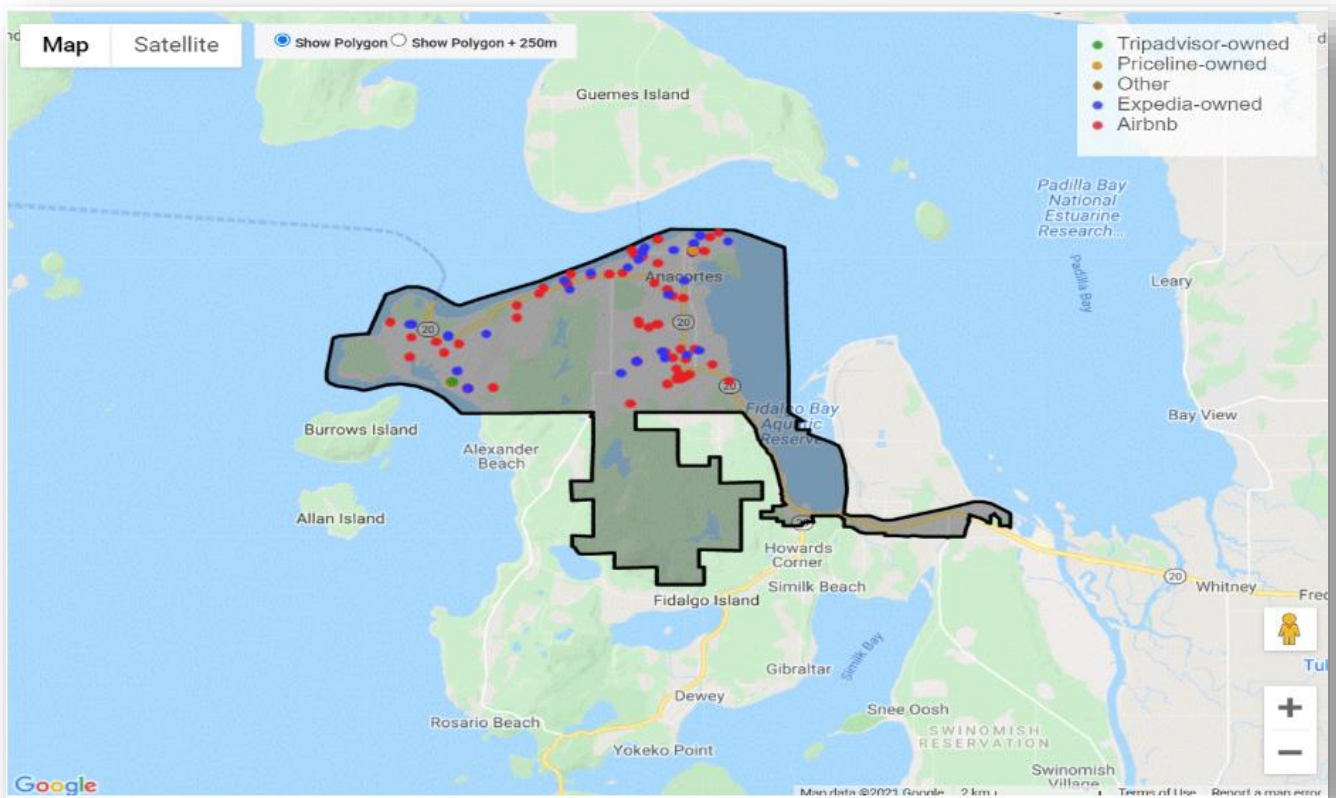


Figure 1. Short-term rentals in Anacortes as of April 2021, *Granicus.com*

Lodging Tax

Owners of property used for the furnishing of lodging, including short-term rentals, must collect and pay retail sales tax on rental charges, as well as any lodging and convention and trade center taxes. Anacortes has levied a lodging tax under [AMC 3.15](#) pursuant to RCW Chapters 68.28 and 82.08. Some of the larger on-line platforms collect and remit these taxes on behalf of property owners. In 2022, the City received a total of \$562,377 in lodging tax and WA state sales tax. \$81,718, or 15%, of that total came from taxes remitted by AirBNB Inc., Homeaway.com Inc., and Vacasa LLC on behalf of Anacortes short-term rental owners.

3. DRAFT CODE PROPOSAL

Key goals & other considerations

To guide the development of permanent regulations for short-term rentals in C, CBD, MMU and CM zones (“the proposal”), the following initial key goals were identified during discussions with the Council Planning Committee:

1. Prevent housing from being taken off the long-term housing market.
2. Preserve the sense of community within existing and future neighborhoods.
3. Allow for economic gain by owners/residents.

Additional items considered by staff in drafting the proposal include:

- Staff resource requirements to administer and enforce any new regulations.
- Impacts on existing short-term rental owners.
- Consistency with GMA housing requirements.
- 2023 Housing Action Plan recommendations.

Code Proposal

The specific proposed text amendments can be found in [Attachment A](#), shown in track changes format within the existing municipal code text.

The proposed code amendments would:

- **Add** the term “short-term rental” and associated definition to [AMC Ch. 19.44.050 Overnight Lodging](#).
 1. Proposed definition: “Short-Term Rental” means an overnight lodging use, that is not a hotel or motel, or a bed and breakfast, in which a dwelling unit, or portion thereof, is offered or provided to a guest for a fee for fewer than 30 consecutive nights.
- **Prohibit** new short-term rentals in the C, CBD, MMU and CM zones ([AMC Table 19.41.050, Principal uses permitted in mixed-use and industrial zones](#)).
- **Allow** continued operation of existing, legally permitted short-term rentals that have maintained a current City business license.

Analysis

Achieving key goals

Prohibiting new short-term rentals in the C, CBD, MMU and CM zones could help achieve the first two goals by ensuring that existing and future homes are maintained for long-term housing that is needed for people who want to live and work in Anacortes. Allowing continued operation of existing legally established short-term rentals may provide temporary housing options (less than 30 days) for locals in transition, essential workers and visitors seeking an immersive city experience. Bed and breakfasts and dwelling units that are rented for 30 days or more are not considered short-term rentals and would still be allowed, providing opportunities to supplement incomes of property owners.

Staff recommend, as part of a future amendment process, that the bed and breakfast regulations in AMC 19.44.050.B be reviewed to evaluate whether they should be modified to better achieve community goals and expectations.

Staff resource requirements

When considering establishing new regulations and permit requirements, the ability of existing staff to handle the increased work associated with the new requirements should be evaluated. If adopted, the current proposal is not expected to significantly increase staff workload.

Impacts on existing owners

It is difficult to quantify the number of short-term rentals currently operating in the C, CBD, MMU and CM zones, although it is believed that the number is relatively small (between 10 and 20). Staff were able to verify at least 4 of these rentals have an Anacortes business license. Allowing existing, legally permitted short term rentals to continue as long as a valid business license is maintained should help minimize impacts of the new regulations, if adopted, to owners.

In addition, under the proposal, owners of property in the C, CBD, MMU and CM zones could still establish a new bed and breakfast ([AMC 19.44.050.B](#)) in an existing single family residential home, which would allow for economic opportunities while avoiding loss of long-term housing stock (because owners are required to reside on the premises).

Consistency with GMA housing requirements

The way in which the City decides to regulate short-term rentals in the C, CBD, MMU and CM zones will have an impact on Anacortes' ability to meet new mandatory housing planning requirements under the GMA. HB 1220, adopted in 2021, requires communities to plan for and accommodate projected housing needs by income level through 2045. For Anacortes, an additional 2,942 new homes are projected to be needed, with over 50% of those being affordable to households making less than 50% of the Area Median Income (AMI).

Urban Growth Areas	Initial Allocation of Net New Housing Needed (2020-2045)						Total
	0-30% AMI*	31-50% AMI	51-80% AMI	81-100% AMI	101-120% AMI	Above 120% AMI	
Anacortes	924	592	422	226	201	577	2,942

Figure 2. Initial 2045 Housing Allocations for Anacortes (Growth Management Act Steering Committee Resolution 2023-01, December 20, 2023)

The C, CBD, MMU and CM zones are some of the only areas in the City that are currently zoned to allow the types of housing construction likely to be affordable to households earning less than 80% AMC.

Housing units that are converted to short-term rental use are not included in Anacortes' existing supply of permanent housing, thereby increasing the number of net new housing units that will need to be planned for and accommodated to meet the new GMA housing requirements.

Consistency with the Comprehensive Plan

The Comprehensive Plan contains land use, housing, and economic development goals and policies that can help guide decisions about short-term rental regulation in C, CBD, MMU and CM zones. Some of the policies may conflict, spurring community conversations about which should take priority based on current community needs. Goals and policies relevant to this proposal include, but are not limited to, the following:

Policy LU-7.1. Maintain and strengthen downtown as the center for civic, retail, cultural, dining and entertainment activity in Anacortes.

- A. Encourage a mixture of uses downtown, including restaurants, taverns, retail, office, civic, cultural, lodging, and residential uses to support day and evening activities for all ages.
- B. Facilitate more opportunities for people to live downtown through regulatory changes and proactive communication with property owners and the development community.
Key concepts:
 - a. Integrate zoning flexibility to allow single purpose multifamily residential on most side streets.

Policy LU-11.1. Plan for accommodating anticipated growth within the City to protect surrounding forest and parklands, and minimizing sprawl, while strengthening Anacortes's unique marine character and identify.

- A. Provide for residential infill development opportunities throughout the city but focus the highest intensity residential uses close to commercial and community services and transit.

Policy H-1.1. Provide for an adequate supply of appropriately zoned land to accommodate the city's housing growth targets.

Policy H-1.2. Promote a variety of residential densities and housing types in all price ranges to meet a range of housing needs and respond to changing needs and preferences.

Policy H-1.7. Provide for development of multifamily housing in areas close to shopping, employment, services, and public transportation.

Goal H-2. Promote the stability and vitality of residential and mixed use neighborhoods.

Policy H-3.1. Encourage preservation, maintenance, and improvements to existing affordable housing.

Policy H-3.4. Support both rental and ownership forms of housing in a variety of types and sizes.

Policy H-3.8. Require that affordable housing achieved through public incentives or assistance remains affordable for the longest possible term.

Policy ED-1.7. Encourage low-impact home-based businesses in residential areas.

Policy ED-1.10. Support the development of an adequate range of affordable housing opportunities for the local workforce to increase the attractiveness of the city to employers.

Policy ED-2.9. Encourage higher density residential development within and near the Central Business District as support for downtown businesses.

Goal ED-3. Maintain and enhance year round opportunities for sustainable tourism in keeping with the Community's vision.

Policy ED-3.7. Encourage development of expanded lodging options to support overnight stays by tourists and other visitors.

Policy ED-3.11. Promote Downtown Anacortes, including the Central Business District and Cap Sante Marina, the central Fidalgo Bay waterfront and south Commercial Avenue, as visitor destination.

Policy ED-7.1. Provide an efficient, clear and economical permitting process as a means of enhancing the City’s goal for quality customer service.

2023 Housing Action Plan findings and recommendations

A community survey conducted as part of developing the 2023 Housing Action Plan included questions about short-term rental regulations. In the survey, 56% of total respondents were supportive of the concept to “Tighten regulations on vacation rentals to discourage the use of regular housing for tourists.” Below is a bar chart depicting the responses broken up according to renter and owner responses.

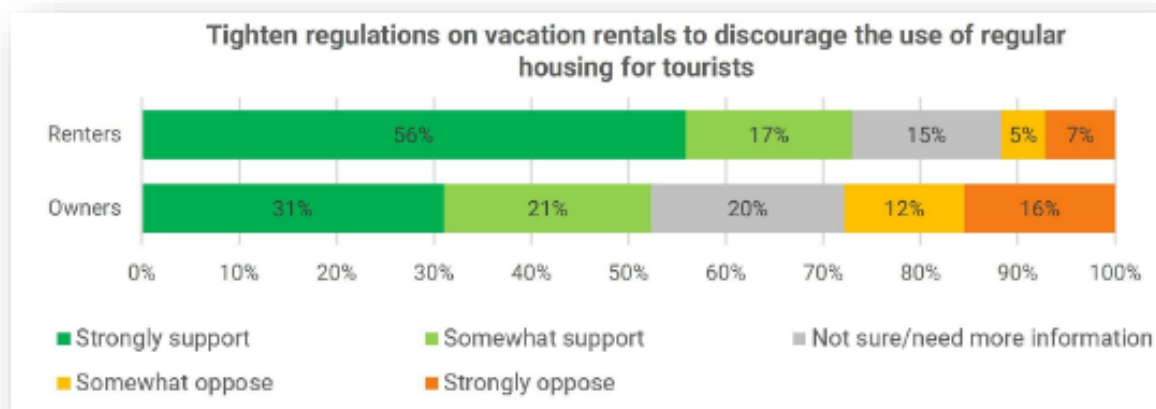


Figure 3. 2023 Anacortes Housing Action Plan

The Housing Action Plan provided a non-exhaustive menu of regulatory options for short-term rentals, recommending relatively light measures given the current number of short-term rentals in Anacortes, with stricter measures possible to enact if problems with short-term rentals continue. Some of the options listed include:

- Define short-term rentals, possibly with differences between accessory, temporary, and commercial types
- Prohibit short-term rentals in multifamily buildings.
- Cap the number of short-term rental business licenses that may be issued, such as 1-3% of total housing units per neighborhood or citywide.

4. PUBLIC COMMENTS

To date, the City has received multiple written comments regarding the initial draft regulations. A summary of these comments and staff responses can be found in [Attachment C](#).

5. PROCEDURAL AND GMA COMPLIANCE

[Anacortes Municipal Code \(AMC\) Chapter 19.16](#) provides the procedures for review of Legislative Actions, including comprehensive plan and development regulation amendments.

SEPA and AMC Ch. 19.16

The following sections demonstrate the City's compliance with the procedural requirements for legislative actions pursuant to local and State requirements:

1. Compliance with the State Environmental Policy Act (Chapter 197-11 WAC, AMC 19.16.060, and AMC 18.04).
 - Staff prepared an environmental checklist for the proposed amendments, dated February 6, 2024.
 - A Determination of Nonsignificance (DNS) was issued based on the environmental checklist on February 7, 2024.
 - Any comments received prior to the close of the public comment period will be provided to the Planning Commission.

Conclusion – The proposed amendments will satisfy local and State SEPA requirements at the conclusion of the comment period.

2. Procedural Compliance with the Growth Management Act (RCW 36.70A.106):
 - The City must notify the Department of Commerce, at least 60 days in advance, of its intent to adopt comprehensive plan and development regulation amendments.
 - The City requested expedited review from the Department of Commerce on January 12, 2024; the request was granted on January 29, 2024 and Growth Management notice to state agency requirements have been met.
 - Staff will file the adopted ordinance(s) with the Department of Commerce within 10 days of the City Council's action.

Conclusion – The proposed amendments will meet the Growth Management Act requirements.

3. Public Notice and Comments (AMC 19.16.070):
 - The City published a Notice of Availability, Public Comment, Public Hearing, and SEPA threshold determination (the Notice) in the Anacortes American on February 7, 2024.
 - The City distributed the Notice to the City's departmental email list, published it on the City's website, placed it on the City Hall bulletin board and provided a copy to the Library for posting on February 7, 2024.
 - Any written comments received prior to the close of the comment period will be presented to the Planning Commissions prior to deliberations.

Conclusion – The City has met the public notice requirements of AMC 19.16.070.

4. Review by the Planning Commission (AMC 19.16.080)
 - The Planning Commission will hold a public hearing on February 28, 2024 at 6:00 pm.
 - The Planning Commission will deliberate and consider the following in making its recommendation:

- a) Public testimony and written comment received during any public comment period.
 - b) Recommendations and analysis from relevant city advisory groups.
 - c) Staff recommendations and analysis.
 - d) Legal advice.
 - e) Consistency of the proposal with the comprehensive plan.
- The Planning Commission will make a recommendation to City Council, which will contain the following:
 - a) Findings of Fact. A list of facts that the planning commission believes to be true and that are relevant to its recommendation on the proposal.
 - b) Reasons for Action. An explanation of the planning commission's rationale in making its recommendation.
 - c) Recommendation. The recommendation resulting from the vote.
 - d) Vote. A record of the roll call vote on the entire recorded motion.
 - e) Additional comments. Other relevant comments, suggestions, or recommendations, not strictly related to the recommendation, that the planning commission desires to include.
 - f) Signature of the chair attesting that the recorded motion reflects the planning commission's decision.

Conclusion – The City will meet the planning commission review requirements of AMC 19.16.080.

6. STAFF RECOMMENDATION

PCED recommends that the Planning Commission hold a public hearing and deliberate on the proposed amendments prior to making a recommendation of approval to the City Council.

7. NEXT STEPS

In accordance with [AMC 19.16.090](#), the City Council will consider the Planning Commission's recommendations and adopt any amendments by ordinance at a future city council meeting.

ATTACHMENT A: DRAFT REGULATIONS

LEG-2023-03: DRAFT amendments addressing short-term rentals in the CBD, C, MMU, and CM zones

1/17/24 Draft

Proposed amendments to the existing code are shown below in ~~strikeout~~/underline track changes format.

1. Prohibit new short-term rentals in the CBD, C, MMU, and CM zones

Amend AMC Ch. 19.41 Allowed Uses as follows:

Table 19.41.050

Principal uses permitted in mixed-use and industrial zones.

Principal Use	CBD	C	MMU	CM	CM2	LM	MS	I	HM	P	AZ	Reference
.....												
Overnight Lodging, <u>except as listed below</u>	P	P	P	P		C						AMC 19.44.050(A)
<u>Short-Term Rental</u>												<u>AMC 19.44.050(D)</u>

2. Add Short Term Rentals definition to Commercial Use standards

Amend AMC Ch. 19.44 Commercial Uses as follows:

19.44.050 Overnight lodging.

A. *Overnight Lodging Category.* Accommodations arranged for short-term stays (less than 30 days). Overnight lodging includes, but is not limited to:

1. Bed and breakfast.

2. Hotel/motel.

3. Short-term rentals.

3-4. Youth hostel.

B. *Bed and Breakfast.*

1. *Definition.* A single-family residential unit which provides transient lodging, for compensation, by renting up to six sleeping room accommodations.
2. *Purpose.* This section is intended to ensure parking, impact on surrounding neighbors, health and safety, and other considerations limit any adverse impacts of bed and breakfasts on the surrounding neighborhood.
3. *Requirements.*
 - a. The owner must be the operator of the facility and must reside on the premises.
 - b. The owner's quarters and guest rooms must all be in the main building.
 - c. If located in a residential zone, the facility must be operated in such a manner as not to give the outward appearance of a business in the ordinary meaning of the term.
 - d. The use must provide off-street parking, including parking for the primary residence per AMC Chapter [19.64](#) in addition to one parking space per guest room.

C. *Hotel/Motel.*

1. *Definition.* A building or portion thereof designed or used for short-term rental of units for sleeping purposes, with or without cooking facilities, and which may include related accessory uses such as shared dining facilities, recreation facilities, and meeting facilities.

D. Short-Term Rental

2. *Definition.* "Short-Term Rental" means an overnight lodging use, that is not a hotel or motel, or a bed and breakfast, in which a dwelling unit, or portion thereof, is offered or provided to a guest for a fee for fewer than 30 consecutive nights.

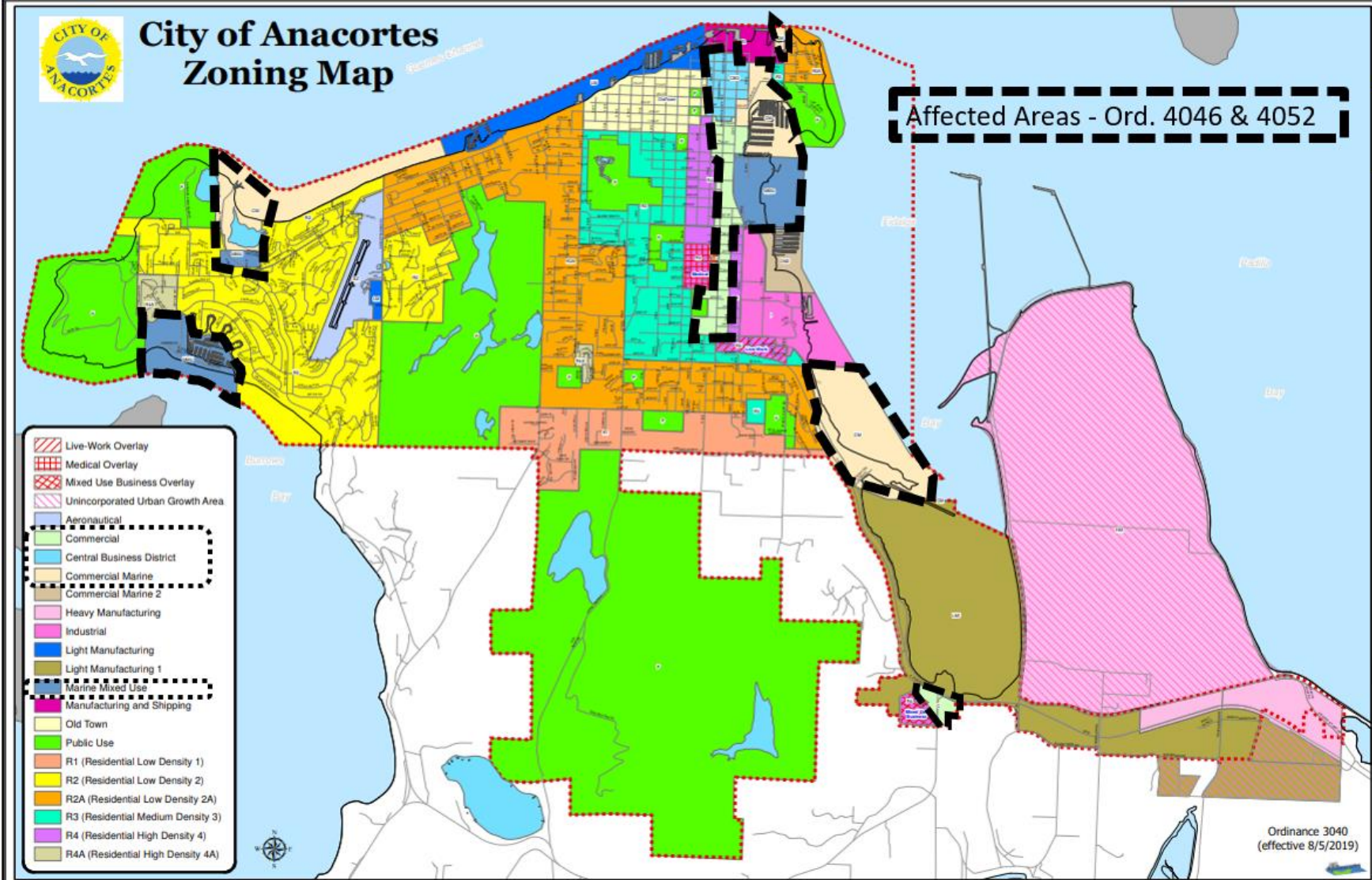
3. C, CBD, MMU and CM Zone standards.

- a. Short-term rentals in the C, CBD, MMU and CM zones that were lawfully established and obtained a city business license prior to the date of adoption of Ordinance 4046 (May 22, 2023) may continue to operate so long as the short-term rental maintains a current city business license and complies with all applicable local and state regulations.

E. Youth Hostel.

1. *Definition.* Relatively affordable overnight lodging with shared dormitory-style facilities.

ATTACHMENT B: ZONING MAP AND AREAS AFFECTED



ATTACHMENT C: PUBLIC COMMENTS SUMMARY

Coming soon.



Notice of Comment Period, SEPA Threshold Determination, and Public Hearing

Publish Date: February 7, 2024

Proposal Name: Code amendments addressing the short-term rental of residential dwelling units in the Commercial (C), Central Business District (CBD), Marine Mixed Use (MMU) and Commercial Marine (CM) zones

City File Number: LEG-2023-03

Documents Available At: <https://www.anacorteswa.gov/1547/Legislative-Planning-Updates>

Lead Agency: City of Anacortes, Planning, Community & Economic Development Department

SEPA Responsible Official: John Coleman, AICP, Director

Submit Written Comments

By: Wednesday, February 21, 2024

Public Hearing Date: Wednesday, February 28, 2024 at 6:00 PM

Public Hearing Body: Anacortes Planning Commission
City Hall Council Chambers
904 6th Street, Anacortes, WA 98221

Contact Person: Libby Grage, Planning Manager
libbyb@cityofanacortes.org; 360-299-1986

Proposal Description(s):

The City of Anacortes is considering adoption of amendments to the Anacortes Municipal Code (AMC) related to the short-term rental (less than 30 consecutive nights) of residential dwelling units in the Commercial (C), Central Business District (CBD), Marine Mixed Use (MMU), and Commercial Marine (CM) zones. The proposed amendments include a definition for short-term rentals and would prohibit short-term rental of residential dwelling units in the C, CBD, MMU and CM zones.

The proposal has been developed in response to the Ordinances 4046 and 4052, which enacted and extended a moratorium on the short-term rental of residential dwelling units in the Commercial, Central Business District, Marine Mixed Use, and Commercial Marine zones.

SEPA Threshold Determination

The City of Anacortes has determined that this proposal does not have a probable significant adverse impact on the environment. An environmental impact statement is not required under the State Environmental Policy Act, RCW 43.21C.030(2)(c). This determination was made after review of a completed environmental checklist and other information on file with the lead agency and is available upon request.

The threshold determination is issued under a separate cover, available on the website and the address above. The City of Anacortes will not act on this proposal during the comment period. Written comments regarding the Determination of Nonsignificance must be submitted by the deadline above and in the same manner as other comments. Appeals of this environmental determination may be made per the procedures outlined in AMC Ch. 18.04 and Ch. 19.20 by February 21, 2024, at 5:00 PM. Additional information regarding the appeal process may be obtained from the City of Anacortes PCED Department, 360-299-1984.

How to Comment

Comments are accepted via email, paper, or verbally.

Email comments are preferred and must be sent to libbyb@cityofanacortes.org.

Paper comments may be mailed or delivered to:

City of Anacortes
Planning, Community & Economic Development Department
ATTN: Libby Grage
P.O. Box 547 / 904 6th St.
Anacortes, WA 98221

Verbal comments may be made at the Public Hearing. The public hearing will be held as a hybrid meeting, with virtual and in-person attendance options. Virtual meeting access and participation information can be found here:

<https://www.anacorteswa.gov/700/Meeting-Documents-and-Video>

SEPA
Determination of Non-Significance

DESCRIPTION OF PROPOSAL: The City of Anacortes is considering adoption of amendments to the Anacortes Municipal Code (AMC) to add a definition for short-term rentals and change the uses allowed within the Commercial, Central Business District, Marine Mixed Use and Commercial Marine zones to prohibit short-term rental of residential dwelling units.

LOCATION: This is a non-project action that would apply city-wide.

PROPONENT & LEAD AGENCY: City of Anacortes, Planning, Community and Economic Development (PCED) Department.

CONTACT PERSON: Libby Grage, Planning Manager; libbyb@cityofanacortes.org; 360-299-1986; PO Box 547, Anacortes, WA 98221

The lead agency for this proposal has determined that the proposed amendments will not have a probable adverse impact on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030(2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public upon request.

ENVIRONMENTAL DETERMINATION COMMENTS: This DNS is issued under WAC 197-11-340(2); the lead agency will not act on this proposal for 14 days from the date below. Comments on the environmental determination must be received in writing on or before 5:00 PM **February 21, 2024** (14 days from the date of issuance). Comments received within the 14 days will be reviewed and considered by the PCED Department.

Responsible Official: John Coleman, AICP
Position and Title: Director of Planning, Community & Economic Development
Phone/Email: 360-299-1942; johnc@cityofanacortes.org
Address: P.O. Box 547, Anacortes, WA 98221

Date: 2-7-24

Signature 

ENVIRONMENTAL DETERMINATION APPEAL PROCESS: You may appeal this determination to the Hearing Examiner. Appeals must be on forms provided by the Department and delivered, along with the appeal fee, to the City Clerk no later than 5:00 PM **December 6, 2023**. You should be prepared to make specific factual objections. Contact the PCED Department to read or ask about the procedures for SEPA appeals (AMC 19.20.180).

ISSUED AND PUBLISHED: February 7, 2024

SENT TO: SEPA Register, Corps of Engineers, DAHP, WDFW, WA Health, DNR, WSDOT, DOE, NW Clean Air, Skagit Transit, Skagit County PDS, County Assessor, Port of Anacortes, Anacortes School District, Skagit Coop, Swinomish and Samish Tribes, PSE, Frontier, CNG and Comcast

SEPA¹ Environmental Checklist

Purpose of checklist

Governmental agencies use this checklist to help determine whether the environmental impacts of your proposal are significant. This information is also helpful to determine if available avoidance, minimization, or compensatory mitigation measures will address the probable significant impacts or if an environmental impact statement will be prepared to further analyze the proposal.

Instructions for applicants

This environmental checklist asks you to describe some basic information about your proposal. Please answer each question accurately and carefully, to the best of your knowledge. You may need to consult with an agency specialist or private consultant for some questions. **You may use “not applicable” or “does not apply” only when you can explain why it does not apply and not when the answer is unknown.** You may also attach or incorporate by reference additional studies reports. Complete and accurate answers to these questions often avoid delays with the SEPA process as well as later in the decision-making process.

The checklist questions apply to **all parts of your proposal**, even if you plan to do them over a period of time or on different parcels of land. Attach any additional information that will help describe your proposal or its environmental effects. The agency to which you submit this checklist may ask you to explain your answers or provide additional information reasonably related to determining if there may be significant adverse impact.

Instructions for lead agencies

Please adjust the format of this template as needed. Additional information may be necessary to evaluate the existing environment, all interrelated aspects of the proposal and an analysis of adverse impacts. The checklist is considered the first but not necessarily the only source of information needed to make an adequate threshold determination. Once a threshold determination is made, the lead agency is responsible for the completeness and accuracy of the checklist and other supporting documents.

Use of checklist for nonproject proposals

For nonproject proposals (such as ordinances, regulations, plans and programs), complete the applicable parts of sections A and B, plus the Supplemental Sheet for Nonproject Actions (Part D). Please completely answer all questions that apply and note that the words "project," "applicant," and "property or site" should be read as "proposal," "proponent," and "affected geographic area," respectively. The lead agency may exclude (for non-projects) questions in “Part B: Environmental Elements” that do not contribute meaningfully to the analysis of the proposal.

¹ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/Checklist-guidance>

A. Background

[Find help answering background questions²](https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-A-Background)

1. Name of proposed project, if applicable:

LEG-2023-03: Short term rental regulations for the C, CBD, MMU and CM zones

2. Name of applicant:

City of Anacortes Planning, Community & Economic Development Department

3. Address and phone number of applicant and contact person:

Libby Grage, Planning Manager, 360-299-1986; libbyb@cityofanacortes.org; P.O. Box 547;
Anacortes, WA 98221

4. Date checklist prepared:

January 25, 2024

5. Agency requesting checklist:

City of Anacortes Planning, Community & Economic Development Department

6. Proposed timing of schedule (including phasing, if applicable):

Planning Commission review, public hearing, and recommendation – February 2024

City Council review and adoption – March 2024

7. Do you have any plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain.

No

8. List any environmental information you know about that has been prepared, or will be prepared, directly related to this proposal.

None

9. Do you know whether applications are pending for governmental approvals of other proposals directly affecting the property covered by your proposal? If yes, explain.

This is a non-project action affecting multiple parcels in the City of Anacortes.

10. List any government approvals or permits that will be needed for your proposal, if known.

The City of Anacortes City Council would need to approve the proposed amendments and adopt them by ordinance.

11. Give brief, complete description of your proposal, including the proposed uses and the size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers on this page. (Lead agencies may modify this form to include additional specific information on project description.)

² <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-A-Background>

The City of Anacortes is considering adoption of amendments to the Anacortes Municipal Code (AMC) to add a definition for short-term rentals and change the uses allowed within the Commercial, Central Business District, Marine Mixed Use and Commercial Marine zones to prohibit short-term rental of residential dwelling units.

The proposal has been developed in response to the Ordinances 4046 and 4052, which, in 2023, enacted and extended a moratorium on the short-term rental of residential dwelling units in the Commercial, Central Business District, Marine Mixed Use, and Commercial Marine zones.

- 12. Location of the proposal. Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map, if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.**

The definition for ‘short-term rentals’ would apply city-wide and changes to permitted uses in the Commercial, Central Business District, Marine Mixed Use, and Commercial Marine zones would apply only in those zones.

B.Environmental Elements

1. Earth

[Find help answering earth questions³](#)

a. General description of the site:

The City of Anacortes includes a variety of terrain, including flat, rolling, hilly, and steep slopes.

Circle or highlight one: Flat, rolling, hilly, steep slopes, mountainous, other:

b. What is the steepest slope on the site (approximate percent slope)?

Anacortes includes a variety of slopes throughout the city, including certain areas with up to 100% slope. The steepest slopes are primarily located along the marine shoreline and Mount Erie.

c. What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them, and note any agricultural land of long-term commercial significance and whether the proposal results in removing any of these soils.

³ <https://ecology.wa.gov/regulations-permits/sepa/environmental-review/sepa-guidance/sepa-checklist-guidance/sepa-checklist-section-b-environmental-elements/environmental-elements-earth>

Soils within the city Bellingham silt loam, Bow gravelly loam, Bow-Urban land complex, Catla gravelly fine sandy loam, Clallam gravelly loam, Coveland gravelly loam, Coveland-Bow complex, Dystric Xerochrepts, Fidalgo-Lithic Xerochrepts Rock outcrop complex, Guemes very stony loam, Guemes very gravelly loam, sandy substratum, Hydraquents, tidal, Keystone loamy sand, Laconner very gravelly loamy sand, Lithic Haploxerolls – Rock outcrop complex, Mukilteo muck, Norma silt loam, Pits, Swinomish gravelly loam, Swinomish-Fidalgo Rock outcrop complex, Tacoma silt, Tacoma silt loam, Terric Medisaprists, Whistle-Fidalgo-Rock outcrop complex, and Xerorthents.

There are no known agricultural lands of long-term commercial significance.

Because this proposal is non-project in nature, it will not directly result in any soil removal.

d. Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe.

Geologically hazardous areas within the City include steep slopes, landslide and erosion hazards, and seismic hazards (liquefaction prone areas). These hazard areas are concentrated along the northern portion of Anacortes near Guemes Channel and Burrows Bay near Washington Park. Liquefaction prone areas are located in areas of modified shorelines near Skyline and the eastern part of the city along Fidalgo Bay.

e. Describe the purpose, type, total area, and approximate quantities and total affected area of any filling, excavation, and grading proposed. Indicate source of fill.

This non-project proposal will not directly result in any filling, excavation, or grading.

f. Could erosion occur because of clearing, construction, or use? If so, generally describe.

Because this proposal is non-project in nature, it will not directly result in any erosion.

g. About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?

This non-project proposal will not directly result in the addition of any impervious surface.

h. Proposed measures to reduce or control erosion, or other impacts to the earth, if any.

This is a non-project action. Development that is authorized consistent with the City's development regulations following the adoption of the amendments will be required to comply with City, State, and Federal requirements relating to impacts to the earth.

2. Air

[Find help answering air questions](#)⁴

- a. **What types of emissions to the air would result from the proposal during construction, operation, and maintenance when the project is completed? If any, generally describe and give approximate quantities if known.**

This non-project proposal will not directly result in any emissions to the air.

- b. **Are there any off-site sources of emissions or odor that may affect your proposal? If so, generally describe.**

This non-project proposal will not be affected by emissions or odor.

- c. **Proposed measures to reduce or control emissions or other impacts to air, if any:**
- d. This is a non-project action. Development that is authorized consistent with the City's development regulations following the adoption of the amendments will be required to comply with City, State, and Federal requirements relating to emissions that are in place at that time.

3. Water

[Find help answering water questions](#)⁵

- a. **Surface:**

[Find help answering surface water questions](#)⁶

1. **Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.**

Anacortes is surrounded on three sides by marine shorelines including Guemes Channel, Burrows Bay, Fidalgo Bay, and a portion of Padilla Bay, with lakes including Little Cranberry, Heart, Whistle, and a portion of Lake Erie.

There are multiple streams located within city limits including Whistle Creek, Happy Valley Stream, Ace of Hearts Creek, Beaver Brook, Cranberry Creek, Clyde Creek, Anaco Bourn, Morrison Run, Cedar Springs, Weaverling Rill, Miller Creek, Aqua Creek, Howard Creek, Summit Creek, and March's Run.

⁴ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-Air>

⁵ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-3-Water>

⁶ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-3-Water/Environmental-elements-Surface-water>

- 2. Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.**

No, this is a non-project action.

- 3. Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.**

This non-project proposal will not directly result in any fill or dredging of surface waters or wetlands.

- a. Will the proposal require surface water withdrawals or diversions? Give a general description, purpose, and approximate quantities if known.**

This non-project proposal will not directly result in surface water withdrawals or diversions.

- 4. Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.**

Parts of Anacortes are located within the 100-year floodplain as mapped by the Federal Emergency Management Agency (FEMA) flood insurance rate maps (FIRMs). Some areas within the zones affected may be located within the 100-year flood plain.

- 5. Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.**

This non-project proposal will not directly result in any discharges of waste materials to surface waters.

b. Ground:

[Find help answering ground water questions](https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-3-Water/Environmental-elements-Groundwater)⁷

- 1. Will groundwater be withdrawn from a well for drinking water or other purposes? If so, give a general description of the well, proposed uses and approximate quantities withdrawn from the well. Will water be discharged to groundwater? Give a general description, purpose, and approximate quantities if known.**

This non-project proposal will not directly result in withdrawal of groundwater from a well for drinking water or any other purpose, nor will it involve discharges to groundwater.

- 2. Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (domestic sewage; industrial, containing the following chemicals...; agricultural; etc.). Describe the general size of the system, the number of such systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.**

⁷ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-3-Water/Environmental-elements-Groundwater>

This non-project proposal will not directly result in discharge of waste into the ground.

c. Water Runoff (including stormwater):

1. **Describe the source of runoff (including storm water) and method of collection and disposal, if any (include quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.**

This non-project proposal will not generate stormwater.

2. **Could waste materials enter ground or surface waters? If so, generally describe.**

This non-project proposal will not involve waste materials entering the ground or surface waters.

3. **Does the proposal alter or otherwise affect drainage patterns in the vicinity of the site? If so, describe.**

This non-project proposal will not affect drainage patterns.

e. Proposed measures to reduce or control surface, ground, and runoff water, and drainage pattern impacts, if any:

None. This is a non-project action. Development that is authorized consistent with the City's development regulations following the adoption of the amendments will be required to comply with City, State, and Federal requirements related to surface and ground water, and water run-off.

4. Plants

[Find help answering plants questions](#)

a. Check the types of vegetation found on the site:

- ☒ **deciduous tree: alder, maple, aspen, other**
- ☒ **evergreen tree: fir, cedar, pine, other**
- ☒ **shrubs**
- ☒ **grass**
- ☒ **pasture**
- ☐ **crop or grain**
- ☒ **orchards, vineyards, or other permanent crops.**
- ☒ **wet soil plants: cattail, buttercup, bullrush, skunk cabbage, other**
- ☒ **water plants: water lily, eelgrass, milfoil, other**
- ☒ **other types of vegetation**

b. What kind and amount of vegetation will be removed or altered?

This non-project proposal will not result in vegetation removal or alteration.

c. List threatened and endangered species known to be on or near the site.

Various species of rare plants, listed by the Washington Natural Heritage Program, may occur within the city.

d. Proposed landscaping, use of native plants, or other measures to preserve or enhance vegetation on the site, if any.

None.

e. List all noxious weeds and invasive species known to be on or near the site.

Various species of noxious weeds and invasive species are known to occur throughout Anacortes.

5. Animals

[Find help answering animal questions](https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-5-Animals)⁸

a. List any birds and other animals that have been observed on or near the site or are known to be on or near the site.

Examples include:

- **Birds:** hawk, heron, eagle, songbirds, other:
- **Mammals:** deer, bear, elk, beaver, other:
- **Fish:** bass, salmon, trout, herring, shellfish, other:

Many species of birds, mammals, and fish are known to occur throughout Anacortes.

b. List any threatened and endangered species known to be on or near the site.

Bull trout, Puget Sound Chinook, Puget Sound Steelhead, Southern Resident Killer Whale, Yelloweye Rockfish, Bocaccio Rockfish and Marbled Murrelet are known to occur along the marine shoreline of Anacortes.

c. Is the site part of a migration route? If so, explain.

Anacortes is within located within the Pacific Flyway migration route utilized by waterfowl migrating north into Alaska and northern Canada.

d. Proposed measures to preserve or enhance wildlife, if any.

- e. None. This is a non-project action. Development that is authorized consistent with the City's development regulations following the adoption of the amendments will be required to comply with City, State, and Federal requirements related to wildlife protection.

⁸ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-5-Animals>

- f. **List any invasive animal species known to be on or near the site.**

None known.

6. Energy and natural resources

[Find help answering energy and natural resource questions](#)⁹

- a. **What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.**

This non-project proposal will not result in any energy use.

- b. **Would your project affect the potential use of solar energy by adjacent properties? If so, generally describe.**

This non-project proposal will not affect the potential use of solar energy by adjacent properties.

- c. **What kinds of energy conservation features are included in the plans of this proposal? List other proposed measures to reduce or control energy impacts, if any.**

None. This is a non-project action. Development that is authorized consistent with the City's development regulations following the adoption of the amendments will be required to comply with City, State, and Federal requirements related to energy.

7. Environmental health

[Health Find help with answering environmental health questions](#)¹⁰

- a. **Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur because of this proposal? If so, describe.**

This non-project proposal will not result in any environmental health hazards.

1. **Describe any known or possible contamination at the site from present or past uses.**

Anacortes has various sites that have known or possible contamination from present or past uses.

2. **Describe existing hazardous chemicals/conditions that might affect project development and design. This includes underground hazardous liquid and gas transmission pipelines located within the project area and in the vicinity.**

This non-project proposal is not expected to be affected by hazardous chemicals/conditions.

⁹ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-6-Energy-natural-resou>

¹⁰ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-7-Environmental-health>

- 3. Describe any toxic or hazardous chemicals that might be stored, used, or produced during the project's development or construction, or at any time during the operating life of the project.**

This non-project proposal will not result in storage, use or production of hazardous chemicals.

- 4. Describe special emergency services that might be required.**

This non-project proposal will not result in the need for any special emergency services.

- 5. Proposed measures to reduce or control environmental health hazards, if any.**

None. This is a non-project action. Development that is authorized consistent with the City's development regulations following the adoption of the amendments will be required to comply with City, State, and Federal requirements related to reduction or control of environmental health hazards.

b. Noise

- 1. What types of noise exist in the area which may affect your project (for example: traffic, equipment, operation, other)?**

This non-project proposal will not be affected by noise in the area.

- 2. What types and levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hours noise would come from the site)?**

This non-project proposal would not create any noise.

- 3. Proposed measures to reduce or control noise impacts, if any:**

None. This is a non-project action. Development that is authorized consistent with the City's development regulations following the adoption of the amendments will be required to comply with City, State, and Federal requirements related to noise.

8. Land and shoreline use

[Find help answering land and shoreline use questions](https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-8-Land-shoreline-use)¹¹

- a. What is the current use of the site and adjacent properties? Will the proposal affect current land uses on nearby or adjacent properties? If so, describe.**

Land uses throughout the city include residential, recreational, industrial, multi-family, public and institutional uses, and vacant land. Because the proposal is non-project in nature, it will not affect current land uses on properties in the city.

- b. Has the project site been used as working farmlands or working forest lands? If so, describe. How much agricultural or forest land of long-term commercial significance will be converted to other uses because of the proposal, if any? If resource lands have**

¹¹ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-8-Land-shoreline-use>

not been designated, how many acres in farmland or forest land tax status will be converted to nonfarm or nonforest use?

There are no known working farmlands or working forest lands within the Anacortes city limits.

- 1. Will the proposal affect or be affected by surrounding working farm or forest land normal business operations, such as oversize equipment access, the application of pesticides, tilling, and harvesting? If so, how?**

No.

- c. Describe any structures on the site.**

There are a variety of structures located throughout city limits.

- d. Will any structures be demolished? If so, what?**

This non-project proposal will not result in the demolition of any structures.

- e. What is the current zoning classification of the site?**

Anacortes includes a variety of zoning designations city-wide.

- f. What is the current comprehensive plan designation of the site?**

Anacortes includes a variety of comprehensive plan designations.

- g. If applicable, what is the current shoreline master program designation of the site?**

Anacortes includes a variety of shoreline master program designations along its marine shoreline and freshwater lakes.

- h. Has any part of the site been classified as a critical area by the city or county? If so, specify.**

A variety of classified critical areas are known to be located within the city, including wetlands, fish and wildlife habitat conservation areas, geologically hazardous areas, critical aquifer recharge areas, and frequently flooded areas.

- i. Approximately how many people would reside or work in the completed project?**

Because this is a non-project proposal, this question is not applicable.

- j. Approximately how many people would the completed project displace?**

Because this proposal is non-project in nature, zero people would be displaced as part of the project.

- k. Proposed measures to avoid or reduce displacement impacts, if any.**

None.

- l. Proposed measures to ensure the proposal is compatible with existing and projected land uses and plans, if any.**

This non-project proposal is not anticipated to result in any incompatibility issues.

- m. **Proposed measures to reduce or control impacts to agricultural and forest lands of long-term commercial significance, if any:**

None.

9. Housing

[Find help answering housing questions](#)¹²

- a. **Approximately how many units would be provided, if any? Indicate whether high, middle, or low-income housing.**

Because this is a non-project proposal, no new housing units would be provided. However, the amendments may result in additional housing units being made available and maintained for long-term rental.

- b. **Approximately how many units, if any, would be eliminated? Indicate whether high, middle, or low-income housing.**

Because this is a non-project proposal, no housing units would be eliminated.

- c. **Proposed measures to reduce or control housing impacts, if any:**

A primary purpose of the proposal is to stop the conversion to short-term rentals of residential dwelling units in certain zones. This is intended to ensure housing remains available to those that want to live and work in Anacortes.

10. Aesthetics

[Find help answering aesthetics questions](#)¹³

- a. **What is the tallest height of any proposed structure(s), not including antennas; what is the principal exterior building material(s) proposed?**

This non-project proposal will not directly result in any structures being built.

- b. **What views in the immediate vicinity would be altered or obstructed?**

None – this is a non-project proposal.

- c. **Proposed measures to reduce or control aesthetic impacts, if any:**

Future project actions that are proposed under the adopted regulations will be required to comply with the Anacortes Municipal Code and any other standards related to aesthetics that are in place at that time.

¹² <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-9-Housing>

¹³ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-10-Aesthetics>

11. Light and glare

[Find help answering light and glare questions](#)¹⁴

- b. What type of light or glare will the proposal produce? What time of day would it mainly occur?**

This non-project proposal would not produce any light or glare.

- c. Could light or glare from the finished project be a safety hazard or interfere with views?**

No.

- d. What existing off-site sources of light or glare may affect your proposal?**

None.

- e. Proposed measures to reduce or control light and glare impacts, if any:**

None. This is a non-project action. Development that is authorized consistent with the City's development regulations following the adoption of the amendments will be required to comply with City, State, and Federal requirements related to light and glare.

12. Recreation

[Find help answering recreation questions](#)

- a. What designated and informal recreational opportunities are in the immediate vicinity?**

Anacortes contains many designated and informal recreational opportunities, including city parks, the Anacortes Community Forest Lands, beaches, trails, boating, and more.

- b. Would the proposed project displace any existing recreational uses? If so, describe.**

No.

- c. Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any:**

None. This is a non-project action. Development that is authorized consistent with the City's development regulations following the adoption of the amendments will be required to comply with City, State, and Federal requirements related recreation.

13. Historic and cultural preservation

[Find help answering historic and cultural preservation questions](#)¹⁵

- a. Are there any buildings, structures, or sites, located on or near the site that are over 45 years old listed in or eligible for listing in national, state, or local preservation registers? If so, specifically describe.**

¹⁴ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-11-Light-glare>

¹⁵ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-13-Historic-cultural-p>

There are many buildings in Anacortes that are over 45 years old. Some of them are eligible for listing, or are listed, in national, state, or local preservation registers.

- b. Are there any landmarks, features, or other evidence of Indian or historic use or occupation? This may include human burials or old cemeteries. Are there any material evidence, artifacts, or areas of cultural importance on or near the site? Please list any professional studies conducted at the site to identify such resources.**

There are landmarks, features, or other evidence of Indian or historic use or occupation in various locations throughout Anacortes.

- c. Describe the methods used to assess the potential impacts to cultural and historic resources on or near the project site. Examples include consultation with tribes and the department of archeology and historic preservation, archaeological surveys, historic maps, GIS data, etc.**

Staff referred to the department of archaeology and historic preservation and the Anacortes register of historic places, but because the proposal is non-project in nature, it will not have a direct impact on any cultural or historic resources.

- d. Proposed measures to avoid, minimize, or compensate for loss, changes to, and disturbance to resources. Please include plans for the above and any permits that may be required.**

Future project actions that are proposed under the adopted regulations will be required to comply with the Anacortes Municipal Code and any other standards related to historic resources protection that are in place at that time.

14. Transportation

[Find help with answering transportation questions](#)¹⁶

- a. Identify public streets and highways serving the site or affected geographic area and describe proposed access to the existing street system. Show on site plans, if any.**

There are a variety of public streets and highways in Anacortes.

- b. Is the site or affected geographic area currently served by public transit? If so, generally describe. If not, what is the approximate distance to the nearest transit stop?**

Skagit Transit provides public transit service throughout Anacortes.

- c. Will the proposal require any new or improvements to existing roads, streets, pedestrian, bicycle, or state transportation facilities, not including driveways? If so, generally describe (indicate whether public or private).**

Because this proposal is non-project in nature, it will not require any new or improvements to existing roads, streets, pedestrian, bicycle, or state transportation facilities.

¹⁶ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-B-Environmental-elements/Environmental-elements-14-Transportation>

- d. **Will the project or proposal use (or occur in the immediate vicinity of) water, rail, or air transportation? If so, generally describe.**

This non-project proposal will not use water, rail or air transportation.

- e. **How many vehicular trips per day would be generated by the completed project or proposal? If known, indicate when peak volumes would occur and what percentage of the volume would be trucks (such as commercial and nonpassenger vehicles). What data or transportation models were used to make these estimates?**

This non-project proposal will not generate any vehicular trips.

- f. **Will the proposal interfere with, affect, or be affected by the movement of agricultural and forest products on roads or streets in the area? If so, generally describe.**

This non-project proposal will not affect or be affected by movement of agricultural and forest products on roads or streets.

- g. **Proposed measures to reduce or control transportation impacts, if any:**

None. This is a non-project action. Development that is authorized consistent with the City's development regulations following the adoption of the amendments will be required to comply with City, State, and Federal requirements related to transportation.

15. Public services

[Find help answering public service questions¹⁷](#)

- a. **Would the project result in an increased need for public services (for example: fire protection, police protection, public transit, health care, schools, other)? If so, generally describe.**

This non-project proposal will not result in an increased need for public services.

- b. **Proposed measures to reduce or control direct impacts on public services, if any.**

None. This is a non-project action. Development that is authorized consistent with the City's development regulations following the adoption of the amendments will be required to comply with City, State, and Federal requirements related to public services.

16. Utilities

[Find help answering utilities questions¹⁸](#)

- a. **Circle utilities currently available at the site: electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system, other:**

All of the above utilities are available within the Anacortes city limits.

¹⁷ <https://ecology.wa.gov/regulations-permits/sepa/environmental-review/sepa-guidance/sepa-checklist-guidance/sepa-checklist-section-b-environmental-elements/environmental-elements-15-public-services>

¹⁸ <https://ecology.wa.gov/regulations-permits/sepa/environmental-review/sepa-guidance/sepa-checklist-guidance/sepa-checklist-section-b-environmental-elements/environmental-elements-16-utilities>

- b. Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.

This non-project proposal will not result in the need for any utility services.

C. Signature

[Find help about who should sign](#)¹⁹

The above answers are true and complete to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.



Type name of signee: Libby Grage

Position and agency/organization: Planning Manager, PCED Department, City of Anacortes

Date submitted: February 6, 2024

D. Supplemental sheet for nonproject actions

[Find help for the nonproject actions worksheet](#)²⁰

Do not use this section for project actions.

Because these questions are very general, it may be helpful to read them in conjunction with the list of the elements of the environment.

When answering these questions, be aware of the extent the proposal, or the types of activities likely to result from the proposal, would affect the item at a greater intensity or at a faster rate than if the proposal were not implemented. Respond briefly and in general terms.

1. How would the proposal be likely to increase discharge to water; emissions to air; production, storage, or release of toxic or hazardous substances; or production of noise?

The proposed amendments are not anticipated to result in an increase in discharge to water; emissions to air; production, storage, or release of toxic or hazardous substances; or production of noise as compared to existing land use plans.

- Proposed measures to avoid or reduce such increases are:

None.

2. How would the proposal be likely to affect plants, animals, fish, or marine life?

¹⁹ <https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance/SEPA-checklist-guidance/SEPA-Checklist-Section-C-Signature>

²⁰ <https://ecology.wa.gov/regulations-permits/sepa/environmental-review/sepa-guidance/sepa-checklist-guidance/sepa-checklist-section-d-non-project-actions>

The proposed amendments are not likely to affect plants, animals, fish, or marine life.

- **Proposed measures to protect or conserve plants, animals, fish, or marine life are:**
None.

3. How would the proposal be likely to deplete energy or natural resources?

The proposed amendments are not likely to deplete energy or natural resources.

- **Proposed measures to protect or conserve energy and natural resources are:**
None.

4. How would the proposal be likely to use or affect environmentally sensitive areas or areas designated (or eligible or under study) for governmental protection, such as parks, wilderness, wild and scenic rivers, threatened or endangered species habitat, historic or cultural sites, wetlands, floodplains, or prime farmlands?

The proposed amendments are not likely to affect environmentally sensitive areas or areas designated for governmental protection.

- **Proposed measures to protect such resources or to avoid or reduce impacts are:**
None.

5. How would the proposal be likely to affect land and shoreline use, including whether it would allow or encourage land or shoreline uses incompatible with existing plans?

The proposed amendments are intended to promote compatibility with existing city goals and policies related to housing.

- **Proposed measures to avoid or reduce shoreline and land use impacts are:**
None.

6. How would the proposal be likely to increase demands on transportation or public services and utilities?

The proposed amendments are not likely to increase demands on transportation or public services and utilities.

- **Proposed measures to reduce or respond to such demand(s) are:**
None.

7. Identify, if possible, whether the proposal may conflict with local, state, or federal laws or requirements for the protection of the environment.

The proposed amendments are not anticipated to conflict with local, state, or federal laws, or requirements for protection of the environment.

Libby Grage

From: Jennifer Pascual <pascualja643@gmail.com>
Sent: Thursday, February 15, 2024 10:11 AM
To: Libby Grage
Subject: Short term rental ban

**** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. ****

Courts in other states have ruled that residential rentals, no matter how long the term, are a residential use because the renter uses the home for the same purpose as the owner. The courts have also rejected the argument that short-term rentals are not a residential use because the homeowner earns rental income by renting out his or her home. The Maryland Court of Appeals, for example, explained: "While the owner may be receiving rental income, the use of the property is unquestionably 'residential.' The fact that the owner receives rental income is not, in any way, inconsistent with the property being used as a residence."

My stance is keeping with the findings of other courts the homes are still being used as residential properties furthermore they do help to serve the purpose of locale emergent family housing in the event of flooding a not-so-uncommon occurrence in the state of Washington My family personally took advantage of a short-term rental property for over six months while our home was undergoing repairs.

Libby Grage

From: Peter Allen <peter.r.allen@hotmail.com>
Sent: Tuesday, February 20, 2024 1:20 PM
To: Libby Grage
Subject: Proposed Elimination of Short Term Rentals

**** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. ****

As a resident of Anacortes and a real estate broker I do not understand the reason for this proposal. While I do not have the specific revenue figures at hand, I would think that short term rentals will benefit the Anacortes economy. Our city is an attractive location for hikers, boaters, fisherman etc. If people are allowed to arrange short term rentals it will provide not only an influx of cash to local businesses but may, in the longer term, turn those short-term renters into long term residents.

Peter Allen
2002 Kansas Avenue
Anacortes, WA

Libby Grage

From: Nate Scott <nscott@windermere.com>
Sent: Tuesday, February 20, 2024 10:28 AM
To: Libby Grage
Subject: LEG-2023-03

**** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. ****

Planning, Community & Economic Development Department
Attn: Libby Grage

Short Term Rental Prohibition

I do not think the City of Anacortes should prohibit short term rentals in the C, CBD and MMU zones. Short term rentals provide an alternative to hotel stays in a town or area, and can be the only option for some people who travel with pets or items that need garage storage like mountain bikes, kayaks, boats, etc.. Speaking as a frequent traveler, whenever possible we choose short-term rentals as it gives space for our family or friends, without putting kids either in the same room as adults, or in separate spaces that we have no control or oversight over. Short term rentals often times offer a better experience than hotels, and offer the ability to make one's own meals, and hang out as a family or group of friends in ways a hotel cannot accommodate. Our hotels are already overbooked during high season and certainly during festival or event weekends - we need more beds not less.

I understand that loss of available low-income housing is one of the fears. I think this is overblown at best. Entry level housing is not the ideal short-term rental to begin with, and for those investors looking to buy rentals will still buy rentals and just use it for mid-term or long-term rentals. In all of the zones where short-term rentals are currently allowed, the homes can be turned into business use without any City intervention, which of course would completely remove the home from the housing stock - so why penalize homeowners in those areas by removing this use as an option. The affordable housing crisis needs to be solved via more building with less regulation, not more regulation on housing.

If short term rentals are banned in any zone which they are currently allowed if licensed, those currently licensed must be grandfathered in. This by the way will artificially inflate the values of those who are currently licensed.

Respectfully,

Nate Scott

Libby Grage

From: Paul Weisz <paulweisz@windermere.com>
Sent: Tuesday, February 20, 2024 5:10 PM
To: Libby Grage
Subject: Short Term Rentals

***** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. *****

Libby et al,

I am writing to comment and make it know that I am very much against the proposed ban on rental units of less than 30 days (STR's). I think this to be a terrible idea and would encourage strong reconsideration of such. STR's are a benefit to our community and the people who rent them in numerous ways. My family always uses them when we visit other locations throughout the country as it's so much more convenient for families and when friends visit here the option of having a bit more space than a hotel can provide, not to mention the kitchen is a huge benefit. I have many examples of how they have been of benefit to clients through my 17 years of Real Estate in Anacortes. Buyer's have found themselves tremendously helped as we've looked for homes to purchase. A client whose home flooded need an STR, not a hotel, for their children and pets while the damage was remediated.

In addition, I have just sold a STR with city approval and the proper permits to a friend as an investor. Should the city decide to take that option away and or refuse to allow the passing on of this opportunity to future buyers the value of this property I just sold will be severely impacted. I most definitely would support litigation in a case such as this and have been following one at the US Supreme Court that sounds as if the State of Texas would be liable.

I'd love to understand more about the city's thought on this as I do not see it as of any benefit to the city or the housing issue's that we face. I personally am very involved in many of these issues on a local and national level and currently serve as the Vice-chair on the North Puget Sound Association of Realtors Government Affairs Committee. I support private property rights and would not necessarily be against potential taxes etc on such uses. I am however strongly opposed to that which is currently on the table.

Sincerely,

PAUL WEISZ

Real Estate Broker
Integrity...Professionalism...Results...



WINDERMERE RE/ANACORTES



360.391.7281



paulweisz@windermere.com



www.paulweisz.com

All in, for you.®

Libby Grage

From: Scott Heiner <scottheiner@hotmail.com>
Sent: Wednesday, February 21, 2024 11:40 PM
To: Libby Grage
Subject: Short term rental ban

***** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. *****

You need to just keep your nose out of it. That's not up to you to determine how long an owner decides to rent their property as long as the laws are being obeyed. It is their investment and it is up to them to determine the best use of it and the best way to get a return. Stop trying to control the use of their property. Keep you nose out if it!
Scott Heiner

Libby Grage

From: Suzanne Rohner <suzannerohner@hotmail.com>
Sent: Wednesday, February 21, 2024 11:35 AM
To: Libby Grage
Subject: permanent ban on short-term rentals

**** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. ****

I would like to voice my vehement opposition to the attempt to place a permanent ban on short term rentals in Anacortes.

This represents government overreach at its best.

Property owners should not be deprived of the right to use their property as they see fit.

I understand there is what some consider an urgent need to increase housing in Anacortes. And perhaps the rational is that limiting short-term rentals will increase the supply of long-term rentals. Perhaps it will. But the bigger issues is that at some point we may have to accept the reality that there just might not be enough room in our town to accommodate everyone who wants to live here.

The rush to overbuild and overdevelop in this community needs to be stopped. Employment opportunities are limited in Anacortes, as is the availability of land. So the "build it and they will come" mentality that is driving this effort needs to be seriously reevaluated. If the intent is to have people live and work in the same community, increasing the population of a town with limited employment opportunities and limited room for growth is not going to accomplish this. Instead it will turn Anacortes into a congested and crowded bedroom community which will be detrimental to this town and to the people who live here.

Thank you,
Suzanne Rohner

Libby Grage

From: Jeff Russell <jrussell0775@yahoo.com>
Sent: Wednesday, February 21, 2024 5:38 PM
To: Libby Grage
Subject: Short term rentals

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Subject: Support for Short-Term Rentals

Dear Members of the City Board,

I am writing to express my strong support for the continued operation of short-term rentals in the city. While I understand that there may be concerns regarding their impact on neighborhoods and housing availability, I firmly believe that short-term rentals offer numerous benefits to both residents and the local economy.

First and foremost, short-term rentals provide an important source of income for homeowners and property investors. Many individuals rely on the rental income generated from short-term rentals to help cover mortgage payments, property taxes, and other expenses. My wife and I have personally invested \$600,000 of our own money pulled from our retirement savings to have the unit we own that was zoned for this purpose. We were careful to follow all city guidelines since we greatly respect the cities need to regulate this market but to shut us down now would be extremely damaging financially.

Furthermore, short-term rentals contribute to the overall economic vitality of this city. Visitors who choose to stay in short-term rentals often spend money at local businesses, restaurants, and attractions, thereby supporting jobs and driving economic growth. Additionally, the presence of short-term rentals can help attract tourists and business travelers to our city, boosting tourism revenues and increasing demand for local services.

It is also worth noting that short-term rentals offer travelers greater flexibility and choice when it comes to accommodations. Many visitors, as well as traveling nurses, prefer the convenience and affordability of staying in a short-term rental, particularly those traveling with families or for extended periods of time I know this being someone that worked for years in the construction industry. The ability to have my family be with me was important and motels are difficult with children. As the needs for temporary workers become more common and remote work increases the demand for short term rentals will be strong. So will regulations that protect neighborhoods while also enhancing the local economy

In conclusion, I urge you to carefully consider the positive impact that short-term rentals have on our city before making any decisions regarding their regulation or discontinuation. By supporting the continued operation of short-term rentals, we can ensure a thriving economy, vibrant neighborhoods, and continued prosperity for all residents.

Thank you for your attention to this important matter.

Sincerely,
Jeff and Stephanie Russell

Libby Grage

From: Amber Soria <amber@soriarealestate.com>
Sent: Wednesday, February 21, 2024 6:37 PM
To: Libby Grage
Subject: Short Term Rental Ban

**** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. ****

Hello Libby,

It has come to my attention that the City of Anacortes is proposing a Permanent Ban on Short Term Rentals & I am writing to you in Opposition of this Proposal. I am a Local Realtor® & I feel this is a determinant not only to our absolute housing crisis we are facing but also to the lack of tax revenue we are missing out on due to such a permanent decision.

I would love to share with you one very important story of a family in need of an STR that would have been completely devastated if there were no opportunities other than a hotel to accommodate. They experienced a house fire, had multiple children, animals, worked in Anacortes proper & had nowhere to go. Thankfully they were able to find a STR that accommodated all of them during the insurance negotiations, etc & were able to turn this horrible situation into something they could all feel comfortable in despite their losses. It saved the family dynamics, allowed the pets to be a part of the healing & gave them hope during their time of need.

I have helped many Military families relocate from different parts of the world with so many obstacles these poor families face with housing & the STR option has been such a blessing & a gift. Sometimes housing is not ready, sellers need rent backs & the timing just isn't necessarily in their favor as they show up to do the work that so many of us benefit from.

I have helped nurses and doctors obtain STR housing in a time of crisis when our Community is in desperate need of their temporary professional assistance.

Refinery specialists & specialty boat & vessel workers from all over the world need housing in our community to bring their line of expertise into our revenue based businesses, sometimes less than 30 days.

Lastly, I own a vacation rental in HI & I get taxed off the top @ an approximate 15% of every stay. I feel like the benefit of proper research into what the benefits are would be so desirable to a City on a revenue basis. I'm not totally sure what the reasoning is behind this ban but if it is an affordable housing issue, why wouldn't we tax properly & build affordable housing which is exactly what we should be doing.

Hope this email finds you well & please reach out if you have any questions at all. Thank you so much for your time & consideration.

All the Best ~ Amber Soria



Amber Soria, Realtor®
Cell: (360) 969-4030

Libby Grage

From: Jason Goold <jason@reluty.com>
Sent: Monday, February 12, 2024 3:47 PM
To: CityClerk; City Council; Ryan Walters; Christine Cleland-McGrath; Amanda Hubik; Bruce McDougall; Anthony Young; Carolyn Moulton; Libby Grage; TJ Fantini; Matt Miller; John Hein; Elmira Yekta; Romina Durr; ron wortham; Gregory L. Gilday; April Patterson; James Neilon; Sara Fish; NPSAR Member Services; Amber Soria
Cc: alex.robertson@warealtor.org; bill.clarke@warealtor.org; mary.drury@warealtor.org
Subject: Re: Ordinance 4046 Anacortes WA STR, Please read during Public Comments

***** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. *****

Esteemed Members of the Anacortes City Council,

I write to express my profound concern regarding the proposed restrictions on short-term rentals (STRs) within our city. With over 14 years of experience managing short-term housing, I've observed firsthand the crucial role that STRs play in providing flexible housing solutions for our community. I implore you to consider the adverse impact that a ban or severe restriction on STRs could have on our city's future, particularly in terms of housing accessibility and economic vitality.

Allow me to present crucial facts:

- **Limited Number of STRs:** Presently, there are only approximately 75 STRs operating within Anacortes city limits, well within the maximum capacity for demand. Many of these properties have already transitioned to longer-term leases due to low demand and lower rental rates caused by recent market conditions. These properties allow for a healthy housing mix, giving our community another option for housing without having to sign a long-term lease or live out of a hotel temporarily while they handle their change of life circumstances.
Market Self-Regulation: The market inherently self-regulates pricing and availability based on supply and demand dynamics. STR owners incur significantly higher expenses, such as utilities, furniture, and landscaping, compared to long-term empty rentals. During periods of low demand, owners naturally switch to mid-term lease options to mitigate losses. The owner's higher level of maintenance enhances the surrounding neighborhood and community. The tenants are able to have an all inclusive rental option without having to buy separate utilities, furniture, decor, maintenance etc., most of the time this is a better cost value to the tenant than traditional rental units.
Alternative Solutions: Rather than targeting STRs, we should address the significant issue of over three times (200+) the number of *vacant homes* compared to STRs in our city. Incentivizing property owners to rent out or sell these vacant properties can alleviate housing shortages without resorting to STR restrictions. STRs offer vital housing inventory to the community.
Diverse Clientele and Needs: Anacortes STRs cater to locals in transition, essential workers, and visitors seeking an immersive city experience. Banning STRs would force these individuals and families into less suitable or more expensive housing options outside the city limits.

Legal Precedent: Washington State Supreme Court rulings have established that STRs are residential in use, not commercial activities. Overly restrictive regulations may expose the city to legal challenges and potential losses. (See case law below)

Economic Impact: Banning STRs would stifle housing flexibility, discourage developers, and reduce overall housing supply. Policies incentivizing developers to build rental properties, including to allow STRs, in suitable locations are imperative and will naturally increase attainable housing. We have already seen over 20+ units disappear due to natural occurring market conditions without the help of any restriction or rule over the last 3 years.

Lessons from Other Regions: STR bans in regions like Arizona led to housing price drops and exacerbated shortages due to out of state 2nd home buyers. Such bans also resulted in empty homes by (snowbirds), reducing economic activity and new hardships in the community. These homes could have been a year-round solution as a temporary housing bridge while permanent housing inventory is created. Some cities have implemented vacant home fees to mitigate these effects, as vacant homes are not only a dangerous safety hazard if unoccupied for fire/water damages and vandalism but reduce temporary housing inventory.

In conclusion, I urge the council to prioritize a free-market approach allowing supply and demand to naturally regulate housing availability. Streamlining the permitting process for developers and incentivizing rental construction can foster a healthier housing market while ensuring quality standards for all rental properties.

Let us learn from other cities and adopt a balanced approach promoting housing accessibility and economic prosperity.

P.S. Seattle City even allows at least 3 STRs units per interest of an owner/LLC/Corp. Can the planning department instead choose to approve uses as STRs in tandem with new building permits to address use conditions on high-rise developments? Restricting all of the city for a few developers reduces the pool of developers willing to risk funds to increase our housing inventory.

In summary, I am readily available to provide my experiences and insights to any members of the city council or the planning department who seek further understanding of the complexities surrounding short-term rentals in Anacortes. With over 14 years of experience managing short/ flexible-term housing, I offer valuable perspectives that can contribute to informed decision-making processes. My commitment to open dialogue and collaboration underscores my dedication to finding sustainable solutions that prioritize the needs of our community. Please feel free to reach out to me at any time for additional information or assistance in navigating this issue.

Wilkinson v. Chiwawa Communities Ass’n. 180 Wn.2d 241, 327 P.3d 614, 616 (2014).

The Supreme Court of Washington held in this case that the short-term vacation rentals of homes were a “residential use” of the home. The Court found that if a vacation renter uses a home “for the purposes of eating, sleeping, and other residential purposes,” this use is residential, not commercial, no matter how short the rental duration.

Another Washington Case

A Washington appellate court made a similar holding in an earlier case, Ross v. Bennett, 148 Wn. App. 40, 51, 203 P.3d 383, 388 (2008), as amended (Jan. 27, 2009). The court in Ross held that a short-term rental is a residential use, and found that the owner's "receipt of rental income either from short or long-term rentals, in no way detracts or changes the residential characteristics of the use by the tenant."

In summary, Washington law has held that a short-term rental of a home is a residential use, and the property may only be used for residential uses, the homeowners are free to rent their property on a short-term basis, as current Washington law supports their decision.

Thank you,



Jason Goold, ABR, AHWD, CRB
Designated Managing Broker

C: [208-703-5978](tel:208-703-5978)

O: 208-333-4434

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From: Jason Goold

Sent: Monday, May 22, 2023 1:34 PM

To: cityclerk@cityofanacortes.org <cityclerk@cityofanacortes.org>; citycouncil@cityofanacortes.org <citycouncil@cityofanacortes.org>; ryanw@cityofanacortes.org <ryanw@cityofanacortes.org>; christinec@cityofanacortes.org <christinec@cityofanacortes.org>; jeremyc@cityofanacortes.org <jeremyc@cityofanacortes.org>; amandah@cityofanacortes.org <amandah@cityofanacortes.org>; brucem@cityofanacortes.org <brucem@cityofanacortes.org>; anthony@cityofanacortes.org <anthony@cityofanacortes.org>; carolynm@cityofanacortes.org <carolynm@cityofanacortes.org>; mattm@cityofanacortes.org <mattm@cityofanacortes.org>

Subject: Ordinance 4046, Please read during Public Comments

To the Honorable Mayor and Anacortes City Council,

Please read the attached, as my statement during Public Comment in tonight's council meeting.

If you have any questions, I am available to assist you with documentation and additional research.

Please vote NO to extend the unwarranted Emergency Moratorium. VOTE NO on Ordinance 4046.

This Ordinance will cause more harm, than create attainable housing which your goal. If you want an emergency, Charge Property owners who leave their properties vacant a tax. Use that tax to build more housing. Vacant properties are more dangerous to public health due to fire, water damage, homeless break ins, squatting etc.

There are more vacant properties in Anacortes than Airbnb's/ short term rentals. There are only about 20 Short-term rental housing units in the Commercial Zone, this is not an Emergency. Please focus on creating more housing not restricting housing.

I am working on collecting additional complaints from the Realtor Association, Government Affairs and Chamber of Commerce Members to show their Nonsupport of this unwarranted Emergency Moratorium, on Short Term Rental Housing.

Thank you,



Jason Goold

Designated Managing Broker

C: 208-703-5978

O: 206-946-9559

www.ReLuTy.com

www.Luxsle.com



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Libby Grage

From: Brooks Middleton <brooks@brooksmiddletonarchitect.com>
Sent: Monday, February 12, 2024 12:36 PM
To: Libby Grage
Subject: short term rentals
Attachments: Notice - STRs pub hearing-rev.pdf

***** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. *****

Hi Libby

I just wanted to note that I'm definitely in favor of allowing short term rentals in ALL zones

If the City wants housing built, then building units for short term housing may be a good way do that

Developers may discover that short term rentals will better cover the cost of development and therefore got ahead with construction. But later on they, or a future owner, could decide to change that unit to a longer term rental due to economic factors or ease of management. If a long term rental doesn't pencil out, then the housing unit will never get built in the first place....

Also, it's possible that with the income of a short term rental, lower income home buyers may feel more comfortable purchasing property in town 😊

My two cents

Thank you!

BROOKS MIDDLETON ARCHITECT 2415 T AVENUE SUITE 202 ANACORTES WA 98221 360 293 0106

Libby Grage

From: Kenna Puppe <kenna@reluty.com>
Sent: Wednesday, February 14, 2024 12:27 PM
To: Libby Grage
Subject: Anacortes City Council Proposed Permanent Ban on Short-Term Rentals

**** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. ****

To the Members of the Anacortes City Council,

I write to express my concern regarding the proposed restrictions on short-term rentals (STRs) within our city. In the past nearly two years of managing short term housing, I have witnessed the crucial role that STRs play in providing flexible housing solutions for our community. I strongly encourage you to consider the negative impact that a ban or severe restriction on STRs could have on our city's future, particularly in terms of housing accessibility and economic vitality.

Some crucial facts:

Limited Number of STRs: Presently, there are only approximately 75 STRs operating within Anacortes city limits, well within the maximum capacity for demand. Many of these properties have already transitioned to longer-term leases due to low demand and lower rental rates caused by recent market conditions. These properties allow for a healthy housing mix, giving our community another option for housing without having to sign a long-term lease or live out of a hotel temporarily while they handle their change of life circumstances.

Market Self-Regulation: The market inherently self-regulates pricing and availability based on supply and demand dynamics. STR owners incur significantly higher expenses, such as utilities, furniture, and landscaping, compared to long-term empty rentals. During periods of low demand, owners naturally switch to mid-term lease options to mitigate losses. The owner's higher level of maintenance enhances the surrounding neighborhood and community. The tenants are able to have an all inclusive rental option without having to buy separate utilities, furniture, decor, maintenance etc., most of the time this is a better cost value to the tenant than traditional rental units.

Alternative Solutions: Rather than targeting STRs, we should address the significant issue of over three times (200+) the number of vacant homes compared to STRs in our city. Incentivizing property owners to rent out or sell these vacant properties can alleviate housing shortages without resorting to STR restrictions. STRs offer vital housing inventory to the community.

Diverse Clientele and Needs: Anacortes STRs cater to locals in transition, essential workers, and visitors seeking an immersive city experience. Banning STRs would force these individuals and families into less suitable or more expensive housing options outside the city limits.

Legal Precedent: Washington State Supreme Court rulings have established that STRs are residential in use, not commercial activities. Overly restrictive regulations may expose the city to legal challenges and potential losses. (See case law below)

Economic Impact: Banning STRs would stifle housing flexibility, discourage developers, and reduce overall housing supply. Policies incentivizing developers to build rental properties, including to allow STRs, in suitable locations are imperative and will naturally increase attainable housing. We have already seen over 20+ units disappear due to natural occurring market conditions without the help of any restriction or rule over the last 3 years.

Lessons from Other Regions: STR bans in regions like Arizona led to housing price drops and exacerbated shortages due to out of state 2nd home buyers. Such bans also resulted in empty homes by (snowbirds), reducing economic activity and new hardships in the community. These homes could have been a year-round solution as a temporary housing bridge while permanent housing inventory is created. Some cities have implemented vacant home fees to mitigate these effects, as vacant homes are not only a dangerous safety hazard if unoccupied for fire/water damages and vandalism but reduce temporary housing inventory.

In conclusion, I urge the council to prioritize a free-market approach allowing supply and demand to naturally regulate housing availability. Streamlining the permitting process for developers and incentivizing rental construction can foster a healthier housing market while ensuring quality standards for all rental properties.

Let us learn from other cities and adopt a balanced approach promoting housing accessibility and economic prosperity.

P.S. Seattle City even allows at least 3 STRs units per interest of an owner/LLC/Corp. Can the planning department instead choose to approve uses as STRs in tandem with new building permits to address use conditions on high-rise developments? Restricting all of the city for a few developers reduces the pool of developers willing to risk funds to increase our housing inventory.

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In summary, Washington law has held that a short-term rental of a home is a residential use, and the property may only be used for residential uses, the homeowners are free to rent their property on a short-term basis, as current Washington law supports their decision.

Thank you,

Kenna Puppe
Broker
ReLuTy Corp
360.990.2394
Kenna@ReLuTy.com
ReLuTy.com

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Libby Grage

From: Dean Hayes <dean@deanhayes.com>
Sent: Friday, February 23, 2024 12:56 PM
To: Libby Grage
Subject: RE: Anacortes City Council Proposing Permanent Ban on Short-Term Rentals

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As a current owner of three short-term rentals (STR) on Whidbey Island, I would like to share my input on what I've seen when municipalities have banned STRs recently.

Two other areas have recently banned STRs with the hope of creating more home affordability for new buyers.

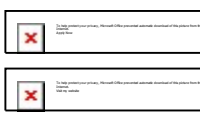
South Lake Tahoe banned all STRs, which resulted in current STR owners listing and selling their properties. Home values went down due the glut of new homes on the market, but other buyers came in and bought them as their 2nd homes. Now those homes sit vacant, and there are much fewer people visiting the area which has resulted in a drop in business and loss of revenue to the community, and a loss of taxes to the municipality.

Palm Springs also put in a limit of no more than 20% of the homes in a community that can be an STR, and that resulted in a drop in overall home prices, a reduction in tax revenue of about 13% from 2022 to 2023, and tourism decreased resulting in a loss of business revenue to the community, and a loss of taxes to the municipality.

- Source: <https://kevinstanley.net/coachella-valley-short-term-vacation-rental-update/#:~:text=11%2F11%2F22%20Palm%20Springs,short%2Dterm%20vacation%20rental%20rules>

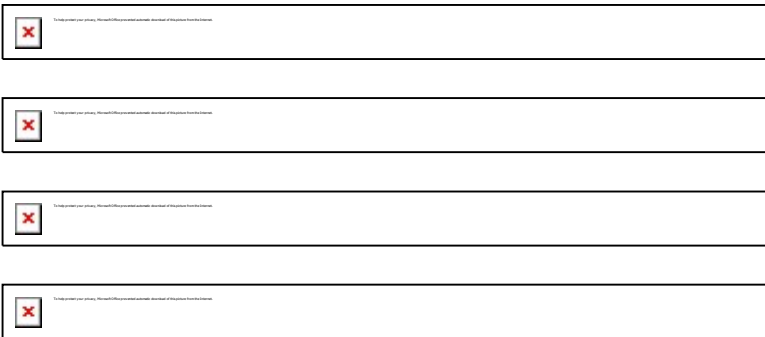
Please consider the impacts to current resident's home values as well as the loss of business income and tax revenue when considering this action.

	Dean Hayes AREA SALES MANAGER MLO-114235	P 360.755.3689 F 360.404.7085 dean@deanhayes.com
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Planning Commission Agenda Bill

Meeting Date: February 28, 2024

Agenda Item: 5.a.

Subject: 2045 Population and Housing Projections

Staff Contact:

Approved for Submittal to Commission by

LIBBY GRAGE

John Coleman

Action Type

Discussion

Summary Statement: On December 20, 2023, the Growth Management Act Steering Committee approved the initial 2045 allocations for population, housing, and employment in Skagit County. These are the initial projections that will be used to inform the 2025 Comprehensive Plan periodic update.

Background:

Previous Action:

Competing Viewpoints Considered:

Recommended Motion:

Alternative Actions:

Attachments (listed in order presented):

1. Initial Growth Allocations Resolution SIGNED 2023-12-20

RESOLUTION 2023-01

TO APPROVE INITIAL 2045 ALLOCATIONS FOR POPULATION, HOUSING AND EMPLOYMENT IN SKAGIT COUNTY

WHEREAS, pursuant to RCW 36.70A.040, Skagit County, and all cities and towns in Skagit County, are required to fully plan under Washington state's Growth Management Act (GMA), and each must adopt a comprehensive plan and development regulations to implement their respective comprehensive plan;

WHEREAS, pursuant to RCW 36.70A.210, the Board of Skagit County Commissioners must adopt countywide planning policies (CPPs), in cooperation with the cities and towns within Skagit County, used solely for establishing a countywide framework from which county, city and town comprehensive plans are developed and adopted;

WHEREAS, pursuant to RCW 36.70A.210, Skagit County, and all cities and towns within Skagit County, executed an agreement (2002 Framework Agreement) defining the process and framework for adoption of countywide planning policies, establishment and alteration of urban growth area (UGA) boundaries, and allocations of population and employment growth to UGAs and areas outside of UGAs;

WHEREAS, the 2002 Framework Agreement established a planning organization known as the "GMA Committee", which consists of a GMA Steering Committee (GMASC) supported by a GMA Technical Advisory Committee (GMATAC);

WHEREAS, a specific power of the GMASC, from the 2002 Framework Agreement, is to advise the legislative bodies of parties to the 2002 Framework Agreement and recommend to these bodies proposed CPPs, including adjustments to UGA boundaries and allocations as developed by the GMASC;

WHEREAS, the current version of the CPPs were adopted by the Board of Skagit County Commissioners on January 26, 2021;

WHEREAS, the CPPs include a process for adoption of initial allocations by the GMASC, following development of allocations by the GMATAC, with direction that jurisdictions shall use these initial allocations for at least one of the plan alternatives they evaluate for their GMA comprehensive plan periodic updates;

WHEREAS, the CPPs include a reconciliation process that provides for GMASC review and adjustment of allocations, if necessary, following the identification of preferred growth plans in GMA comprehensive plans, with reconciled 2045 allocations recommended by the GMASC to the Board of Skagit County Commissioners for inclusion in the CPPs;

WHEREAS, the GMATAC developed the Initial 2045 Allocations of Population, Housing and Employment in Skagit County and recommended them to the GMASC at their December 5, 2023 meeting; and

WHEREAS, the methods used for projections and allocations of population, housing and employment growth are documented in the Skagit County Population, Housing and Employment Growth Allocations Methodology report.

NOW THEREFORE BE IT RESOLVED:

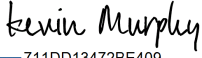
Initial 2045 Allocations of Population, Housing and Employment in Skagit County, as attached herein, are hereby approved.

Adopted: December 20, 2023

DocuSigned by:

E6B7DE7CF0BE4C4...

Mayor Matt Miller, City of Anacortes
GMASC Chair

Attest:
DocuSigned by:

711DD13472BE409...

Kevin Murphy
GMASC Administrator

INITIAL 2045 POPULATION ALLOCATIONS IN SKAGIT COUNTY

Urban Growth Areas	2022 Population Estimates	2045 Initial Population Allocations	2022-2045 Projected Population Growth		
			Amount	Percent of Total Growth	Percent Growth by Area
Anacortes	17,983	22,971	4,988	16.9%	27.7%
Burlington	12,111	16,930	4,819	16.3%	39.8%
Mount Vernon	37,679	46,460	8,781	29.7%	23.3%
Sedro-Woolley	14,096	18,582	4,486	15.2%	31.8%
Concrete	949	1,130	181	0.6%	19.1%
Hamilton	302	302	0	0.0%	0.0%
La Conner	980	1,191	211	0.7%	21.5%
Lyman	425	425	0	0.0%	0.0%
Bayview Ridge	1,694	1,694	0	0.0%	0.0%
Swinomish	2,565	2,764	199	0.7%	7.8%
UGAs Subtotal	88,784	112,449	23,665	80.0%	N/A
Rural (outside UGAs)	42,465	48,381	5,916	20.0%	13.9%
Grand Total	131,249	160,830	29,581	100.0%	N/A

Notes:

1. Percentages may not sum due to rounding.
2. Figures may vary from Skagit County Population, Housing and Employment Growth Allocations Methodology findings due to rounding.
3. UGA is "Urban Growth Area".

INITIAL 2045 HOUSING ALLOCATIONS IN SKAGIT COUNTY

Urban Growth Areas	Initial Allocation of Net New Housing Needed (2020-2045)						Total
	0-30% AMI*	31-50% AMI	51-80% AMI	81-100% AMI	101-120% AMI	Above 120% AMI	
Anacortes	924	592	422	226	201	577	2,942
Burlington	893	572	408	218	194	558	2,843
Mount Vernon	1,627	1,043	743	398	353	1,016	5,180
Sedro-Woolley	831	533	380	203	180	519	2,646
Concrete	34	22	15	8	7	21	107
Hamilton	0	0	0	0	0	0	0
La Conner	39	25	18	10	8	24	124
Lyman	0	0	0	0	0	0	0
Bayview Ridge	0	0	0	0	0	0	0
Swinomish	37	24	17	9	8	23	118
UGAs Subtotal	4,385	2,811	2,003	1,072	951	2,738	13,960
Rural (outside UGAs)	89	57	501	268	238	2,337	3,490
Grand Total	4,474	2,868	2,504	1,340	1,189	5,075	17,450

Notes:

1. Figures may vary from Skagit County Population, Housing and Employment Growth Allocations Methodology findings due to rounding.
2. UGA is "Urban Growth Area".
3. AMI is "Area Median Income".
4. Emergency housing needs are documented in the Skagit County Population, Housing and Employment Growth Allocations Methodology.

* 0-30% AMI includes permanent supportive housing and non-permanent supportive housing.

INITIAL 2045 EMPLOYMENT ALLOCATIONS IN SKAGIT COUNTY

Urban Growth Areas	2022 Employment Estimates	2045 Initial Employment Allocations	2022-2045 Projected Employment Growth		
			Amount	Percent of Total Growth	Percent Growth by Area
Anacortes	9,503	12,648	3,145	15.3%	33.1%
Burlington	11,640	17,410	5,770	28.1%	49.6%
Mount Vernon	18,781	23,559	4,778	23.3%	25.4%
Sedro-Woolley	4,640	7,040	2,400	11.7%	51.7%
Concrete	391	506	115	0.6%	29.4%
Hamilton	466	489	23	0.1%	4.9%
La Conner	1,020	1,905	885	4.3%	86.8%
Lyman	56	76	20	0.1%	35.7%
Bayview Ridge	2,962	4,901	1,939	9.4%	65.5%
Swinomish	1,140	1,579	439	2.1%	38.5%
UGAs Subtotal	50,599	70,113	19,514	95.1%	N/A
Rural (outside UGAs)	8,972	9,987	1,015	4.9%	11.3%
Grand Total	59,571	80,100	20,529	100.0%	N/A

Notes:

1. Percentages may not sum due to rounding.
2. Figures may vary from Skagit County Population, Housing and Employment Growth Allocations Methodology findings due to rounding.
3. UGA is "Urban Growth Area".
4. The 2015 Planned Action Environmental Impact Statement for the SWIFT Center (formerly known as the "North Cascades Gateway Center") in Sedro-Woolley anticipates 2,855 additional jobs from 2016–2036. These additional jobs are not explicitly included with the 2045 initial employment allocation, though the land capacity analysis Sedro-Woolley conducts, and regional reconciliation process expected to begin in late 2024, can account for additional planned employment growth.