SAN JUAN COUNTY
DEPARTMENT OF COMMUNITY DEVELOPMENT
135 Rhone Street, PO Box 947, Friday Harbor, WA 98250
(360) 378-2354 | (360) 378-2116 | FAX (360) 378-3922
cdp@sanjuanco.com | www.sanjuanco.com

BEFORE THE HEARING EXAMINER FOR SAN JUAN COUNTY

FINDINGS, DECISION AND CONDITIONS OF APPROVAL FOR HANSON CONDITIONAL USE PERMIT

S.J.C. DEPARTMENT OF
JUL 13 2017
COMMUNITY DEVELOPMENT

FILE NUMBER:	PCUP000-17-0014
OWNER:	DOUG AND CAPREE HANSON PO BOX 711 POULSBO, WASHINGTON 98370
APPLICATION:	CONDITIONAL USE PERMIT – TO AUTHORIZE VACATION RENTAL OF A 2-BEDROOM RESIDENCE
SITE ADDRESS:	1316 SAN JUAN DRIVE, SAN JUAN ISLAND
TAX PARCEL NUMBER:	361850027
STAFF RECOMMENDATION:	APPROVAL WITH CONDITIONS
SUMMARY OF DECISION:	***APPROVED – SUBJECT TO CONDITIONS***
DATE OF DECISION:	JULY 12, 2017

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I. INTRODUCTION

Doug and Capree Hanson are the owners of a property located in the Limestone Point subdivision in the northern portion of San Juan Island. The Hanson property is designated "Rural Residential" and has a 2-bedroom home on the site, which faces San Juan Channel to the east. The home is on a waterfront property, but the building site is separated from the beach by a 23 foot +/- bluff/bank. As noted during the public hearing, any beach rights would be subject to terms in any deed regarding the property, and construction of stairs down to the beach would require a County permit not addressed in this matter. The Hansons have applied for a Conditional Use Permit to authorize use of the house as a vacation rental. The property is served with an on-site septic system, with water service from the Limestone Point Water Company. *(Staff Report, Project Data; Testimony of Ms. Thompson).*

II. CONTENTS OF RECORD

TESTIMONY AT PUBLIC HEARING:

Julie Thompson, the County's planner assigned to review the pending application, provided testimony under oath, summarizing her review, proposed conditions, and recommendation of approval. Given testimony regarding another application on a waterfront lot, Ms. Thompson noted that if the property has beach rights, the owner would still need a County permit in order to construct stairs down to the beach, approximately 23 feet below a bluff/steep bank from the house location.

No one submitted written comments or spoke at the hearing in opposition to the application.

EXHIBITS:

A. Staff Report, prepared by Project Planner, Julie Thompson, dated May 25, 2017;
1. Application materials;
2. Septic permit;
3. Legal ad; and
4. Posting and notification materials.

III. APPLICABLE LAW

Jurisdiction.

Under SJCC 18.80.090(C), if a development application is processed as a Conditional Use Permit application, "the Hearing Examiner is the decisionmaker." SJCC 18.80.100(C), captioned "Decisionmaking Authority", provides that "[t]he hearing examiner has the authority to approve or deny conditional use permit … applications, and to impose conditions of approval on such permits."

Conditional Use Permit required for vacation rentals.

The "allowability" of various land uses, including "vacation rental of a residence or accessory dwelling unit" is found in a table codified as SJCC 18.30.040. Properties identified under the Rural Residential land use designation are required to obtain a Conditional Use Permit for a vacation rental. *See "Allowable and Prohibited Uses in Rural, Resource, and Special Land Use Designations Table"*, at SJCC 18.30.040.

Standards for vacation rentals; Criteria for CUP approval.

San Juan County's Unified Development Code includes specific standards that apply to all vacation (short-term, less than 30 days) rentals of single family residential units and accessory dwelling units or portions thereof. These standards are found at SJCC 18.40.270, and include a lengthy list of items numbered A through N. The Criteria for approval of a Conditional Use Permit are found at SJCC 18.80.100(D), and include ten items that must be considered by the Examiner.

Burden and Nature of Proof.

Under SJCC 18.80.040(B), "[t]he burden of proof is on the project permit applicant. The project permit application must be supported by evidence that it is consistent with the applicable state law, County development regulations, the Comprehensive Plan, and the applicant meets his burden of proving that any significant adverse environmental impacts have been adequately analyzed and addressed."

IV. ISSUE PRESENTED

Whether a preponderance of evidence demonstrates that the applicants have satisfied their burden of proof to satisfy the criteria for Conditional Use Permit approval?

Short Answer: Yes, subject to conditions.

V. FINDINGS OF FACT

1. Upon consideration of all the evidence, exhibits, testimony, codes, policies, regulations, and other information contained in the file, the undersigned Examiner issues the following findings, conclusions and Decision approving the Conditional Use Permit as set forth below.

2. Any statements in previous or following sections of this document that are deemed findings are hereby adopted as such, including without limitation the Introduction provided above.

3. The applicant submitted a Vacation Rental Permit application to the San Juan County Community Development & Planning Department on or about April 3, 2017. *(Staff Report at page 5; and Exhibit 1).*

4. As noted above, this application and the permit issued herein is applicable to a two-bedroom home on the site, which is located the Limestone Point subdivision, in the northern portion of San Juan Island. The site is a waterfront property, facing San Juan Channel to the east. *Staff Report; Ex. 1, application materials; Testimony of Ms. Thompson.*

5. In the Staff Report, Ms. Thompson represented that notices and publication required for the application were provided in accord with applicable county requirements. County staff determined that the application is exempt from SEPA review. *Staff Report, at page 5; Exhibits 3 and 4, Legal ad and posting/notice verification materials.*

6. There were no written comments from neighbors or other members of the public, and no one appeared at the public hearing to oppose the pending application. *Testimony of Ms. Thompson; Staff Report.* At the hearing, county staff noted that if the property has beach rights, the owner would need a County permit in order to construct stairs down to the beach, approximately 23 feet below a bluff/steep bank from the house location.

7. The Staff Report explains that the property is served with an on-site septic system, with water service from the Limestone Point Water Company. *(Staff Report, Project Data).*

8. As with all permits issued by the County, this permit does not waive or excuse an applicant's obligation to comply with any utility service provider's lawful regulations or requirements, including without limitation electrical, telephone, cable, internet, sanitation, and water service providers.

Facts establishing compliance with Vacation Rental Standards.

9. SJCC 18.40.270 lists a number of standards that apply to all Vacation Rentals (short-term/less than 30 days) of single-family residential homes and accessory dwelling units, or portions thereof. The standards are numbered "A" through "N", and their application and relevance to the pending CUP is discussed below. The following findings are written in *italics*, immediately after re-statement of the applicable standard. Each of the *italicized findings* are supported by previous Findings, and the Staff Report, on pages 2 - 4:

A. No more than three guests per bedroom shall be accommodated at any one time.
This permit applies to the two-bedroom residence on the site. Accordingly, no more than six people may be accommodated at any one time as overnight guests in the two-bedroom residence covered by this permit. Conditions of Approval are included to require compliance with this standard.

B. The vacation rental of a principal residence or accessory dwelling unit shall be operated in a way that will prevent unreasonable disturbances to area residents.

Noise and trespassing impacts could be as much as that associated with normal residential use of the site. Possible disturbances should be adequately mitigated by conditions limiting the number of occupants to 9, requiring the posting of rules of conduct specifically mentioning that trespassing is not allowed, the identification of property lines, and providing neighbors with a 24-hour contact phone number as well as requiring the contact to keep a written log of complaints.

C. At least one additional off-street parking space shall be provided for the vacation-rental use in addition to the parking required for the residence or accessory dwelling unit.
Parking is available for at least two cars on the property.

D. If any food service is to be provided the requirements for a bed and breakfast residence must be met.
No food service is proposed.

E. No outdoor advertising signs are allowed.
No outdoor advertising signs are proposed.

F. The owner or a long-term lessee may either rent the principal residence or the accessory dwelling unit on a short-term basis (vacation rental), but not both;
The CUP approved in this Decision shall only allow for rental of the 2-bedroom residence on the site.

G. Where there are both a principal residence and an accessory dwelling unit, the owner or a long-term lessee must reside on the premises, or one of the living units must remain un-rented.
The CUP approved in this Decision shall only allow for rental of the 2-bedroom residence on the site. There is no accessory dwelling unit on the site.

H. In all activity center land use districts, rural residential, and conservancy land use districts, the transient rental of a residence or guest house may be allowed by provisional ("Prov") permit only if the owner or lessee demonstrates that the residence or guest house in question was used for vacation rental on or before June 1, 1997. When internal land use district boundaries are adopted for an activity center this provision will apply to VR and HR districts but not to the activity center in general.
According to the Staff Report, this property is in the Rural Residential land use designation. It has not been used as a vacation rental on or before June 1, 1997, so a conditional use permit is the appropriate authorization.

I. Vacation rental accommodations must meet all local and state regulations, including those pertaining to business licenses and taxes.
The applicant will be required to obtain a business license and pay all taxes applicable to the vacation rental operation. NOTE: The County is not a party to private covenants, and is not able to enforce private covenants or agreements between private parties. The CUP granted in this Decision does not and should not be construed to authorize the owner to violate any applicable utility service provider's requirements, or private restrictions or covenants between property owners.

J. Owners of vacation rentals must file with the Administrator a 24-hour contact phone number.

A 24-hour contact phone number will be included in the rules of conduct when the unit is rented.

K. The owner or lessee of the vacation rental shall provide notice to the tenants regarding rules of conduct and their responsibility not to trespass on private property or to create disturbances. If there is an easement that provides access to the shoreline, this shall be indicated on a map or the easement shall be marked; if there is no access, this shall be indicated together with a warning not to trespass.
This standard is specifically addressed in the conditions of approval. The proposed rules of conduct for the property must be submitted to the Department of Community Development for review and approval prior to rental of the residence covered by this permit.

L. SJCC 18.80.030(A)(2)(a) requires publication of a notice of application.
A notice of application for Conditional use permit for vacation rental was published on May 3, 2017. See Ex. 3.

M. SJCC 18.80.030(A)(2)(b)&(c) require notification of the application to all property owners within 300 feet of the subject property and posting of the notice of application on the subject property.
The applicant submitted notice of mailing and posting as required by this standard. Notices were sent on or about May 6, 2017, and the property was posted on or about May 8, 2017. See Exhibit 4.

10. The Record establishes that the applicants have met their burden to satisfy the criteria for approval of a Conditional Use Permit, found in SJCC 18.80.100(D)(1-10). The 10 items listed as approval criteria are listed and discussed below. The following findings are written in *italics*, immediately after re-statement of the applicable requirement. Each of the *italicized findings* are supported by previous Findings, and the Staff Report, on pages 4 and 5:

1. The proposed use will not be contrary to the intent or purposes and regulations of this code or the Comprehensive Plan;
As conditioned, the requested CUP will be consistent with the SJCC and the Comprehensive Plan.

2. The proposal is appropriate in design, character and appearance with the goals and policies for the land use designation in which the proposed use is located;

According to the Staff Report, the proposed use would be in an existing dwelling unit on the site, so it would not change the appearance of the structure. Staff indicates that with conditions, the property would continue to function in a manner similar to the existing use of the 2-bedroom structure on the site. Therefore, the residential character of the site would be maintained. Additionally, the proposal meets or can be conditioned to meet the applicable standards of SJCC Chapters 18.40 and 18.60.

3. The proposed use will not cause significant adverse impacts on the human or natural environments that cannot be mitigated by conditions of approval;

Vacation rental applications often generate complaints regarding trespassing, noise and parking, but staff has determined that such concerns can be dealt with through conditions of approval. The CUP is conditioned to enable neighbors to report problems and possible violations of any conditions of approval to the owner, or their required contact.

4. The cumulative impact of additional requests for like actions (the total of the conditional uses over time or space) will not produce significant adverse effects to the environment that cannot be mitigated by conditions of approval;

The use would continue to appear and function in a manner similar to the existing single family residential use.

5. The proposal will be served by adequate facilities including access, fire protection, water, stormwater control, and sewage disposal facilities;

The proposed use is in an existing development site that currently appears to be served by adequate facilities, and/or to receive adequate services; provided, the permit issued by this decision does not and should not be construed to authorize the owner to violate any applicable utility service provider's requirements.

6. The location, size, and height of buildings, structures, walls and fences, and screening vegetation associated with the proposed use shall not unreasonably interfere with allowable development or use of neighboring properties;

The single-family residence now under construction, if completed in compliance with conditions of the County building permit issued for the project, will not interfere with allowable development or use of neighboring properties. As long as occupants comply with applicable codes, no new interference with allowable development or use of neighboring properties should occur.

7. The pedestrian and vehicular traffic associated with the conditional use will not be hazardous to existing and anticipated traffic in the neighborhood;

Staff has determined that vehicular traffic associated with a vacation rental is not often described as hazardous.

8. The proposal complies with the performance standards set forth in Chapter 18.40 SJCC;

As conditioned, the proposal will be in compliance with SJCC 18.40.270.

9. The proposal does not include any use or activity that would result in the siting of an incompatible use adjacent to an airport or airfield (RCW 36.70.547);

There is no airport or airfield adjacent to this property.

10. The proposal conforms to the development standards in Chapter 18.60 SJCC.

As an existing developed site, the proposal is consistent with SJCC 18.60.

VI. CONCLUSIONS of LAW

1. Based on the Findings as summarized above, the undersigned examiner concludes that the proposed Conditional Use Permit for a vacation rental conforms to all applicable land use requirements and appropriately mitigates adverse environmental impacts. Upon reaching such findings and conclusions as noted above, CUP application meets the standards necessary to obtain approval by the County.

2. The Department's recommended conditions of approval as set forth in the Staff Report are reasonable, supported by the evidence, and capable of accomplishment. Each and every condition is adopted and incorporated herein by reference, except as modified below.

3. Any Finding or other statements in previous or following sections of this document that are deemed Conclusions are hereby adopted as such.

VII. DECISION

Based upon the preceding Findings of Fact and Conclusions of Law, evidence presented through the course of the open record hearing, all materials contained in the record, and the Examiner's online site visit, the undersigned Examiner APPROVES the Conditional Use Permit for the Hanson vacation rental, subject to the attached Conditions of Approval as recommended by the County's staff and adopted herein.

ISSUED this 12th Day of July, 2017

Gary N. McLean
Hearing Examiner

CONDITIONS OF APPROVAL

Hanson Vacation Rental CUP
1316 San Juan Drive, San Juan Island
File No. PCUP000-17-0014

1. The 2-bedroom residence described in the application materials may be operated as a vacation rental, except as modified by these conditions.

2. The 2-bedroom residence now under construction on the site may be rented as a single unit on a short-term basis for periods less than 30 days. A maximum of three people per bedroom (six guests total) shall occupy the residence at any one time.

3. Prior to operation, the owner or agent shall request a driveway inspection from the San Juan County Fire Marshal or his designee and submit proof that the inspection was approved to the DCD Director, which proof shall reference the permit number.

4. The vacation residence shall be operated in a way that will prevent unreasonable disturbances to area residents. To this end, the applicant shall:

   A. Provide copies of this decision to property owners within 300 feet of the subject property, along with a 24-hour local contact phone number, so that complaints can be dealt with in a timely manner. A log of complaints shall be kept by the contact.

   B. Prominently mark the boundaries of the subject property so that it is clearly evident to guests where those boundaries are.

   C. Provide notice to the tenants regarding rules of conduct and their responsibility not to trespass on private property or create disturbances. If there is an easement that provides access to the shoreline, this shall be indicated on a map or the easement shall be marked; if there is no access, this shall be indicated together with the warning not to trespass.

   D. Provide copies to the Department of Community Development of the rules of conduct and the 24-hour local contact phone number.

5. No food service is to be provided. No outdoor advertising signs are allowed. Adequate parking is required which is one space per bedroom, for three spaces.

6. The rental must meet all local and state regulations, including without limitation those pertaining to business licenses, taxes, and utility service provider requirements.

7. No use of the property shall be made that produces unreasonable vibration, noise, dust, smoke, odor or electrical interference to the detriment of adjoining properties.

8. Written rules of conduct shall be submitted to the Department of Community Development for its review and approval before rentals commence. A copy of rules approved by DCD shall be sent to all property owners within 300 feet of the property boundaries.

9. Since the County is not a party to private covenants or utility service provider requirements, it is not in a position to enforce private covenants or similar limitations that may prohibit use of a residence as a vacation rental. However, the CUP granted in this Decision does not and should not be construed to authorize the owner to violate any applicable utility service provider's requirements, or private restrictions or covenants between property owners.

10. If the conditions of approval are not satisfied, the resulting impacts may change a typical residential area to one with frequent incidents of trespass, noise, and traffic from strangers who have no investment in maintaining civil relations with neighbors. For this reason, it is emphasized that failure to comply with conditions of approval is grounds for revocation of this permit.

11. Upon determination by the Director of the Department of Community Development that any condition listed above has been violated, following issuance of a Notice of Violation, the Director may, in addition to his other code enforcement remedies, revoke the conditional use permit.

EFFECTIVE DATE, APPEALS, VALUATION NOTICES

Hearing Examiner decisions become effective when mailed or such later date in accordance with the laws and ordinance requirements governing the matter under consideration. SJCC 2.22.170. Before becoming effective, shoreline permits may be subject to review and approval by the Washington Department of Ecology, pursuant to RCW 90.58.140, WAC 173-27-130 and/or SJCC 18.80.110.

Decisions of the Hearing Examiner are final and not subject to administrative appeal to the San Juan County Council, unless the County council has adopted, by ordinance, written procedures for the discretionary review of such decisions. See Section 4.50 of the San Juan County Home Rule Charter and SJCC 2.22.100.

Depending on the subject matter, this decision may be appealable to the San Juan County Superior Court or to the Washington State Shorelines Hearings Board. State law provides short deadlines and strict procedures for appeals and failure to timely comply with filing and service requirements may result in dismissal of any appeal. See RCW 36.70C and RCW 90.58. Persons seeking to file an appeal are encouraged to promptly review appeal deadlines and procedural requirements and confer with advisors of their choosing, possibly including a private attorney.

Affected property owners may request a change in valuation for property tax purposes, notwithstanding any program of revaluation.