SAN JUAN COUNTY
DEPARTMENT OF COMMUNITY DEVELOPMENT
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BEFORE THE HEARING EXAMINER FOR SAN JUAN COUNTY

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

FILE NUMBER:	PCUP00-18-0002
OWNER(S):	JESSICA SOUYOULTZIS 655 DISCOVERY WAY EASTSOUND, WA 98245
AGENT:	COREY HARRINGTON PO BOX 1001 EASTSOUND, WA 98245
APPLICATION:	CONDITIONAL USE PERMIT – TO AUTHORIZE VACATION RENTAL OF A 3-BEDROOM RESIDENCE
SITE ADDRESS:	655 DISCOVERY WAY, ORCAS ISLAND
TAX PARCEL NUMBER:	173051055000
STAFF RECOMMENDATION:	APPROVAL WITH CONDITIONS
SUMMARY OF DECISION:	***APPROVED – SUBJECT TO CONDITIONS***
DATE OF DECISION:	MAY 15, 2018

S.J.C. DEPARTMENT OF
MAY 15 2018
COMMUNITY DEVELOPMENT

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I. INTRODUCTION

Jessica Souyoultzis owns a property located along Discovery Way in the Rosario Highlands No. 3 Subdivision, north of the Rosario Resort, on Orcas Island. The applicant's property is designated "Rural Residential" and has a 3-bedroom home on the site. The applicant applied for a Conditional Use Permit to authorize use of her house as a vacation rental. The property is served with an on-site septic system approved to serve 3 bedrooms, and receives water service from the Rosario community water system. *(Staff Report, Project Data; Testimony of Mr. Zack; Ex. 3).*

II. CONTENTS OF RECORD

TESTIMONY AT PUBLIC HEARING:

Adam Zack, the County's Planner II assigned to review the pending application, provided testimony under oath, summarizing his review, proposed conditions, and recommendation of approval.

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

EXHIBITS:

A. Staff Report, prepared by Project Planner, Adam Zack, dated April 4, 2018;
1. Application materials, 12 pages, dated February 13, 2018;
2. Cover page of Water Availability Certificate, without attachment identifying water provider;
3. Septic permit no. 94-503-03, dated Dec. 7, 1994, also lists Rosario community water system as water service provider;
4. Legal ad notice, published on March 7, 2018;
5. Posting and mailing confirmation materials;
6. Aerial map;
7. Vicinity map;
8. Assessor's information for tax year 2016-17; and
9. Building Permit No. 9009
10. Map of Vacation Rental Permits, 1990-Feb. 2018, 1 page; and
11. Rosario Highlands No. 3 Subdivision, Auditor's File No. 79236, 8 pages.

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 applicant has satisfied her burden of proof to meet 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 February 13, 2018. *(Staff Report at page 5; and Exhibit 1).*

4. As noted above, this application and the permit issued herein is applicable to a three-bedroom home on the site, which is located in the Rosario Highlands No. 3 subdivision, near the Rosario Resort, on Orcas Island. *Staff Report; Ex. 1, application materials; Ex. 11; Testimony of Mr. Zack.*

5. In the Staff Report, Mr. Zack 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 4 and 5, 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 offer comments regarding the pending application. *Testimony of Mr. Zack.*

7. The Staff Report explains that the property is served with an on-site septic system. *(Staff Report, Project Data; Ex. 3, Septic system permit).* The property receives water service from the Rosario community water system. *Ex. 3, Water Supply information provided on septic permit.*

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 below as items "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 three-bedroom residence on the site. Accordingly, no more than nine (9) people may be accommodated at any one time as overnight guests in the three-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 12, 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 three cars on the property. SJCC 18.60.120 Table 6.4 requires two (2) parking spaces for a single-family home, and SJCC 18.40.270 requires one (1) additional parking space for homes used as vacation rentals. The applicant can satisfy this requirement. See Ex. 1, site plan.

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 3-bedroom residence on the site. There is no accessory dwelling unit 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 4-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 on page 3, 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 or work through a properly licensed property management company. 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. The applicant must submit the 24-hour contact number to the DCD Director prior to rental, and the submittal must reference the vacation rental permit number.

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 March 7, 2018. See Ex. 4. No comments were received about the proposal.

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. See Exhibit 5.*

N. This Conditional Use Permit is not subject to shoreline codes, because the property is not in the shoreline jurisdiction. *Staff Report, page 4.*

10. The Record establishes that the applicant has met her 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 3-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 occasionally 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. As conditioned, no adverse impacts are expected.

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. Staff found that, although there are other existing vacation rental properties in the area, as shown on Ex. 10, the collection of such uses will not cause cumulative impacts if they are operated in compliance with vacation rental permit conditions that are written to mitigate possible impacts associated with such use. There was no opposition to this proposal. There is nothing in the record that would justify denial of the pending application.

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, with an on-site septic system sized to serve 3-bedrooms, and drinking water from the Rosario community water system; 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 existing single-family residence that is on the site and is the subject of this application has not interfered 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 expected to be hazardous. Visitors and guests operating vehicles are subject to the same traffic regulations as other neighborhood residents.

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.

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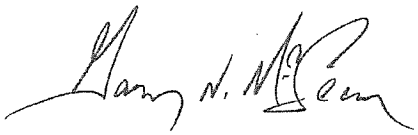
VII. DECISION

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 previous site visits to the neighborhood, the undersigned Examiner APPROVES the Conditional Use Permit for the Souyoultzis vacation rental, subject to the attached Conditions of Approval as recommended by the County's staff and adopted herein.

ISSUED this 15th Day of May, 2018



Gary N. McLean
Hearing Examiner

CONDITIONS OF APPROVAL

Souyoultzis Vacation Rental CUP
655 Discovery Way, Orcas Island
File No. PCUP00-18-0002

1. The 3-bedroom residence described in the application materials may be operated as a vacation rental, except as modified by these conditions.

2. The 3-bedroom residence 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 (nine (9) total guests) may 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. Such submittal shall include this permit number.

   E. Adhere to San Juan County Code and local fire and noise regulations, including without limitation those found in SJCC 18.50.050 and Chapter 9.06 SJCC.

5. No food service is to be provided. No outdoor advertising signs are allowed. Adequate parking is required, at least 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 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.