

PLANNING COMMISSION AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Draft 2022 Comprehensive Plan Docket
DEPARTMENT: Planning & Community Development
PRESENTED BY: Steven Szafran, AICP, Senior Planner
Rachael Markle, AICP, Director

Public Hearing
 Discussion

Study Session
 Update

Recommendation Only
 Other

INTRODUCTION

The State Growth Management Act (GMA), chapter 36.70A RCW, limits review of proposed Comprehensive Plan Amendments (CPAs) to no more than once a year. To ensure that the public and the city can consider the proposed amendments within a citywide context, RCW 36.70A.470 mandates that the City create a “docket” that lists the amendments to be considered in this “once a year” review process.

Thus, the “docket” represents a list of Comprehensive Plan amendments the city will be responsible for analyzing and evaluating for potential adoption. In addition, the “docket” ensures that all the proposed amendments are considered concurrently so that the cumulative effect of the various proposals can be ascertained when the City Council is making its final decision, as required by RCW 36.70A.130(2)(b).

The Draft 2022 Comprehensive Plan Docket is attached as **Attachment A**.

BACKGROUND

Comprehensive Plan Amendments take two forms: Privately initiated amendments and city-initiated amendments. Pursuant to SMC 20.30.340(C)(2), all privately initiated Comprehensive Plan Amendments must be submitted by December 1 of the previous year. The Council may add Comprehensive Plan amendments any time before the final Docket is set.

Approved By: _____ Project Manager _____ Planning Director _____

7a. Staff Report - Draft 2022 Comprehensive Plan Docket

Draft 2022 Comprehensive Plan Docket

For 2022, there are two privately initiated amendment and three (3) city-initiated amendments. At tonight's meeting, the Planning Commission will recommend which amendments should be evaluated in 2022, establishing the Draft 2022 Docket. This will be submitted to the City Council to establish the Final 2022 Docket. City Staff will then analyze and evaluate the proposed amendments and return to the Planning Commission for study sessions and a public hearing. The Planning Commission will issue its recommendation and the City Council will consider that recommendation when it determines what proposed amendments to adopt. The Council must act on the Docketed amendments before the end of 2022 or can defer all or some of the amendments to be considered for inclusion on a future docket.

Amendments

Amendment #1 – Amend the Transportation Master Plan (TMP) and Transportation Element which includes updated goals and policies.

This amendment will replace the current TMP with a new TMP. The City is currently updating its TMP to better serve the community's current and future transportation needs. The TMP supports all forms of travel – by foot, bicycle, skateboard, scooter, stroller, wheelchair, transit, motorcycle, and automobile. With the coming arrival of light rail transit, new and higher frequency bus service, new pedestrian/bicycle connections, land use changes, and anticipated population growth, the TMP update provides an opportunity to better align transportation goals, objectives, and policies with the City's Comprehensive Plan.

The last update to the TMP was in 2011. The TMP update will guide local and regional transportation investments and define the City's future transportation policies, programs, and projects for the next 20 years.

The TMP, which serves as the supporting analysis for the City's Comprehensive Plan Transportation Element, must be updated to align with the City's Comprehensive Plan periodic update by 2024 and meet the Growth Management Act requirements; maintain the City's eligibility for pursuing future grant funding; and set transportation policies for guiding the development of Shoreline. In fall 2020, the City launched a multi-year process to update the TMP with the goal of adoption by the end of 2022.

Recommendation:

Staff recommends that this amendment be placed on the 2022 Comprehensive Plan Docket.

Amendment #2 – 2024 Comprehensive Plan Major Update

7a. Staff Report - Draft 2022 Comprehensive Plan Docket

The State Growth Management Act (GMA) requires counties and cities to periodically conduct a thorough review of their Comprehensive Plan and regulations to bring them up to date with any relevant changes in the GMA and to respond to changes in land use and population growth. This mandatory “periodic update” takes place at least once every eight years. Shoreline last completed a major update of the Comprehensive Plan in 2012. The deadline for adoption of this periodic update is June 2024.

There are four overall tasks counties and cities must take during the periodic update process:

1. Establish a public participation program – Develop a plan that includes a schedule for steps in the update process to ensure the public is aware of the process and knows how they can participate (RCW 36.70A.130(2) and WAC 365-196-600).
2. Review relevant plans and regulations – Evaluate whether there is a need to revise the urban growth area, comprehensive plan, or development regulations to ensure they are consistent with the GMA (RCW 36.70A.130(3) and WAC 365-195-610).
3. Take legislative action – Adopt an ordinance or resolution finding that a review has occurred, and identifying revisions made or concluding that revisions were not needed (RCW 36.70A.130(1)(b)).
4. Submit notice to state – Send formal notice of intent to adopt to the state at least 60 days prior to taking legislative action. Send a copy of the signed adopted ordinance or resolution 10 days after final action (RCW 36.70A.106).

Staff has created an outline schedule to propose a process for the update of the 2012 Comprehensive Plan (**Attachment B**). There are opportunities for efficiencies and cost savings through a collaborative approach with functional plans scheduled for updates before June 2024. To combine resources and prevent meeting fatigue for both the public and City, staff proposes that some Comprehensive Plan Element updates be considered concurrently with the development or update of other relevant plans. For example, the following Element reviews and plan updates could be combined:

- Housing Element (2022) with Housing Action Plan (adopted 2021)
- Transportation Element with Transportation Master Plan (TMP), deadline December 2022
- PROS Element with Parks, Recreation, and Open Space (PROS) Plan, deadline July 2023
- Capital Facilities Element with Capital Improvement Plan, updated annually

Due to the different adoption schedules for the plans listed above staff proposes to adopt changes to the Elements (Goals, Policies, and Supporting Analysis) along with each of the relevant plans. This will entail updating certain elements sooner than others. In the case of the Housing Element up to two years prior to the Comp Plan deadline.

7a. Staff Report - Draft 2022 Comprehensive Plan Docket

Recommendation:

Staff recommends that this amendment be placed on the 2022 Comprehensive Plan Docket.

Amendment #3 – Amend the Comprehensive Plan Land Use Map Designation from Public Facility to Mixed-Use 1 and change the Zoning from Residential, 18 units/acre (R-18) and Mixed-Business (MB) to Mixed-Business (MB) at the King County Metro Park & Ride Facility at 19000 Aurora Avenue N.

This amendment was originally initiated by King County Metro to change the Comprehensive Plan Land Use Map designation of one parcel from Public Facilities to Mixed-Use 1 (**Attachment C**) and to concurrently rezone the parcel from R-18 and MB to entirely MB (**Attachment D**) in 2021. The zoning designation of the park & ride is split with roughly a third of the site zoned R-18 and the rest zoned MB. The request will allow the applicant to pursue greater redevelopment potential on the site.

The city has previously engaged the State and King County Metro (KC Metro) on the desire for long-term planning of the 192nd Park & Ride for transit-oriented development (TOD). Through a property ownership transition from the State, KC Metro is the current owner of the park and ride. Staff has been in conversations with KC Metro TOD planners, and they have indicated that they are finalizing the 192nd Park and Ride TOD study, and that a change in comprehensive plan land use designation and zoning would be one of the key first steps in the process. A change in the land use designation and zoning will allow KC Metro to go to market and secure a development partner for the park & ride. The TOD Study will be completed early this year and community outreach on the plan will occur before City Council would be discussing any changes to the Comprehensive Plan Land Use Map or the Zoning Map.

Amendment No.2 supports Goal 1, Action Step 10 which states: “Support King County Metro’s evaluation of the 192nd Park and Ride as a potential location for expanded transit operations and transit-oriented-development”. Adding this amendment to the Final 2022 Docket would support that action step if it were included in the final goals. Previous Council Goal language has also directed staff to support redevelopment of the park & ride.

Recommendation:

Staff recommends that this amendment be added to the 2022 Comprehensive Plan Docket.

Amendment #4 – Amend the Land Use Element to add a new policy “Housing development and preservation of significant trees can co-exist with the goal of maintaining and increasing Shoreline’s urban tree canopy”.

7a. Staff Report - Draft 2022 Comprehensive Plan Docket

This is a privately initiated amendment (**Attachment E**) to add a new Land Use Element Policy – “Housing development and preservation of significant trees can co-exist with the goal of maintaining and increasing Shoreline’s urban tree canopy”

The applicant states that the Comprehensive Plan contains many statements about the need to protect and preserve the tree canopy in Shoreline. This proposed amendment adds the recommendation that building, and the protection of the tree canopy can coexist.

Recommendation:

Staff recommends that this amendment be added to the 2022 Comprehensive Plan Docket.

Amendment #5 – Add Short Term Rental definition, licensing requirements, and location.

This is a privately initiated amendment to add requirements for short-term rentals (**Attachment F**) and includes the following:

A. Short-term rental definition – The use of an entire dwelling unit by any person or group of persons to occupy for rent for a period of less than thirty consecutive days. Short-term rentals do not include bed and breakfast inns, hotels and motels, or boarding houses.

B. License Required. A City business license is required to operate a short-term rental. No more than two short-term rental sites may be operated by any individual, marital group, a group of people, or a corporate entity such as an LLC, within the City.

C. Location. A short-term rental use may be located in a dwelling unit or an accessory dwelling unit. See SMC 20.40.210 for applicable accessory dwelling unit requirements.

The applicant states that short-term rentals have the potential to generate income for the operator and tax revenue for the City. In this sense, short-term rental regulations support Goal III to “Encourage development of an appropriate mix of housing choices through innovative land use and well-crafted regulations”, and Economic Development Goal I to create jobs, support businesses, and “reduce reliance on residential property tax to fund City operations and capital improvements”. By defining what a short-term rental is, and what the requirements are, the City can provide clarity to short-term rental operators and grow tax revenue from short-term rental businesses by making clear it is an allowed use.

Recommendation:

Staff recommends this request not be added to the docket. As the applicant has stated in their justification for the amendment, the proposed addition of a short-term rental use is already supported by Comprehensive Plan Housing Goals II, Housing Goal III, and Economic Development Goal I.

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The City's recently adopted Housing Action Plan

<https://www.shorelinewa.gov/home/showpublisheddocument/52001/6375953229076700>) addresses short term rentals as part of the Action 4.3 which states,

“Short-term rentals are sometimes perceived to have a negative impact on the availability of housing for full-time residents, as investors may purchase properties to rent them to visitors and others will short-term needs. This could create displacement pressure and is also related to issues of housing supply. Some jurisdictions, particularly in places with higher levels of tourism and visitation, have taken steps to regulate or even ban short-term rentals to maintain existing housing stock to meet the needs of their residents. Shoreline could consider such regulations if it determined that short-term rentals are negatively impacting housing availability for full-time residents”.

The report goes on to say,

“Shoreline should analyze the impact of short-term rentals on housing availability and housing price before determining whether such regulations are necessary. Short-term rentals can have positive economic impacts by increasing visitation and visitor spending at local businesses. If such regulations are deemed necessary and appropriate for Shoreline, the City may consider tailoring the regulations to apply only in places that are at a higher risk of displacement or that are not equipped to handle high levels of visitation. The magnitude of the short-term rental market in Shoreline is currently unknown”.

Through the development and adoption of the Housing Action Plan, the Planning Commission identified seven High Implementation Priorities for near term implementation:

- Updated the Deep Green Incentive Program
- Develop cottage housing regulations
- Develop “missing middle” friendly zoning
- Develop standards for small lot single-family development
- Partner with affordable housing providers
- Support community land trusts through incentives or partnerships
- Identify surplus City property for development of affordable housing

This list of High Implementation Priorities will be used to inform future work plan priorities. For example, preliminary work is underway to develop cottage housing regulations. While short-term rentals were identified in the Housing Action Plan, they did not rise to the list of High Implementation Priorities.

Since policy support for short-term rentals currently exists in the Comprehensive Plan, staff does not recommend adding any new goals or policies and therefore recommends this request not be added to the docket.

The topic of short-term rentals is most appropriately addressed as an independent work plan item for which Council can direct staff to study the impact of short-term rentals on housing availability and housing price to inform a future decision on adding the proposed use of short-term rental, licensing requirements, and location requirements to

7a. Staff Report - Draft 2022 Comprehensive Plan Docket

the Development Code through the Development Code Amendment process. Significant stakeholder and community engagement would also be a component of this topic as an independent work plan item.

Regulation of short-term rentals is also likely to require additional City resources to fully regulate, monitor, and enforce, all of which would require further study and analysis.

For the reasons noted above, staff recommends this request not move forward to the docket and be tabled for potential future consideration in the context of implementing the Housing Action Plan High Implementation Priorities.

PROCESS

It is important to remember that by recommending approval or denial of any proposed amendment for the Draft 2022 Docket, the Commission is only making a recommendation to the City Council. The City Council will ultimately decide what amendments will be included on the 2022 Final Docket. After the Final Docket has been established by Council, amendments will be studied, analyzed, and considered for potential adoption before the end of 2022. The docketing process does not indicate approval of any amendment.

TIMING AND SCHEDULE

- Docket request press release and website – October 2021
- Docket submittal deadline – December 1, 2021
- Planning Commission Recommends Docket– February 3, 2022
- Council Discusses the Final Docket – March 2, 2022
- Council Sets the Final Docket – March 2022
- PC Public Hearing on Proposed Docketed Amendments – September 2022 (tentative)
- Council adoption of the Proposed Docketed Amendments– December 2022 (tentative)

RECOMMENDATION

Staff recommends that the Planning Commission recommend Amendments 1, 2, 3, and 4 be placed on the proposed 2022 Comprehensive Plan Docket.

ATTACHMENT

- Attachment A – Draft 2022 Comprehensive Plan Docket
- Attachment B – 2024 Comprehensive Plan Periodic Update Schedule
- Attachment C – Comprehensive Plan Update: N 192nd St & Whitman Ave N
- Attachment D – Zoning Update: N 192nd St & Whitman Ave N
- Attachment E – Kathleen Russell Application
- Attachment F – Janelle Callahan Application



City of Shoreline

DRAFT 2022 COMPREHENSIVE PLAN AMENDMENT DOCKET

The State Growth Management Act generally limits the City to amending its Comprehensive Plan once a year and requires that it create a Docket (or list) of the amendments to be reviewed.

DRAFT 2022 Comprehensive Plan Amendments

1. Amend the Transportation Master Plan and Transportation Element which includes updated goals and policies.
2. 2024 Comprehensive Plan Major Update. Begin the update of the City of Shoreline Comprehensive Plan.
3. Amend the Comprehensive Plan Land Use Map Designation from Public Facility to Mixed-Use 1 and change the Zoning from Residential, 18 units/acre (R-18) and Mixed-Business (MB) to Mixed-Business (MB) at the King County Metro Park & Ride Facility at 19000 Aurora Avenue N.
4. Amend the Land Use Element to add a new policy "Housing development and preservation of significant trees can co-exist with the goal of maintaining and increasing Shoreline's urban tree canopy".
5. Add Short Term Rental definition, licensing requirements, and location.

Estimated timeframe for Council review/adoption: December 2022.

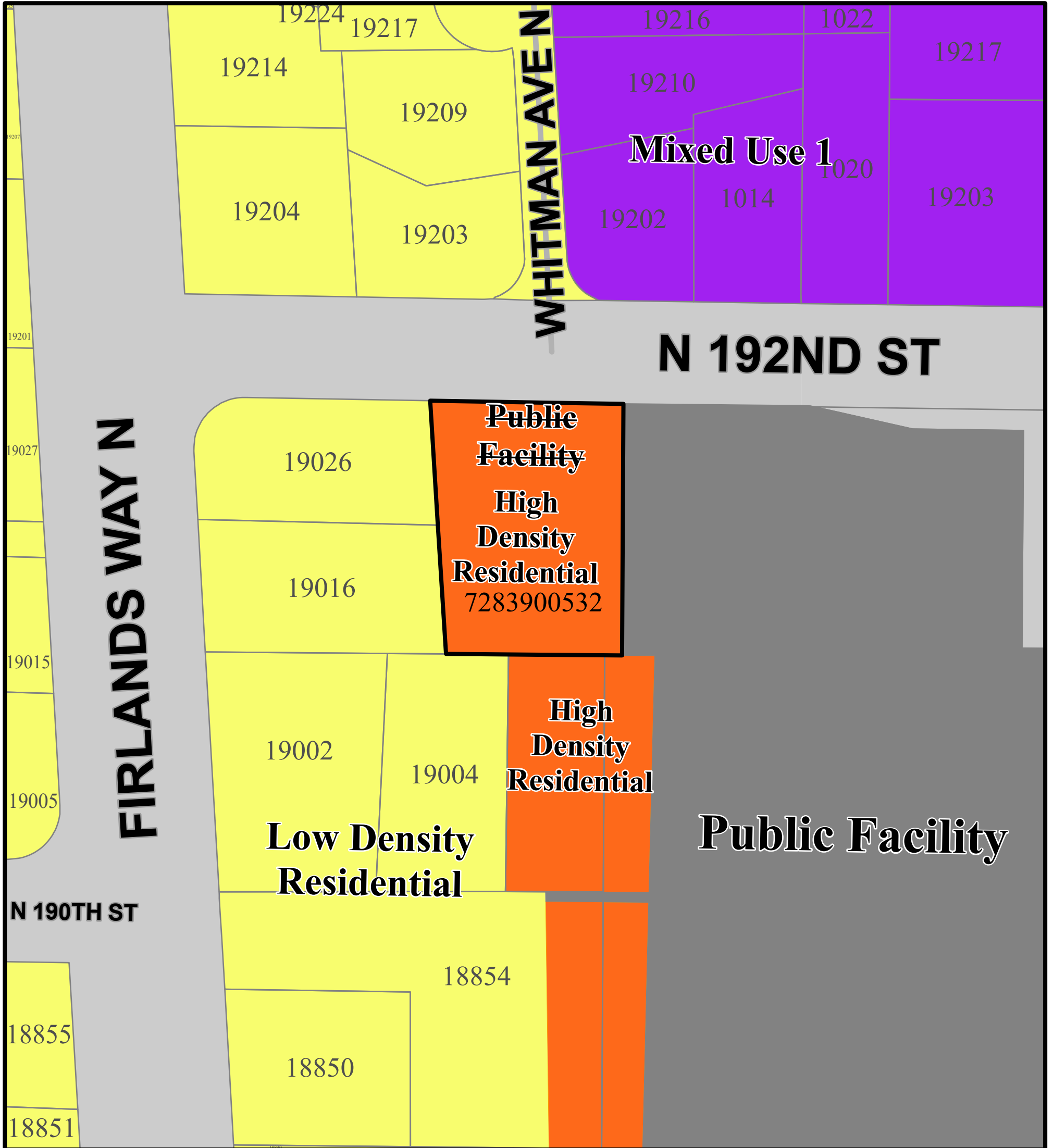
Att. B - 2024 Comp Plan Periodic Update Schedule

2024 Comprehensive Plan Periodic Update – Tentative Schedule

2022	2023	2024
<p>Q4 2021 / Q1 2022 Completed:</p> <ul style="list-style-type: none"> • Comp Plan Docket • Early Scope (new CPP’s and other requirements, best practices, emerging issues to incorporate, themes) • Develop Charter • Draft engagement strategy/public participation plan 	<p>Q1 Completed:</p> <ul style="list-style-type: none"> • Introduction • Land Use Element 	<p>Q1 Completed:</p> <ul style="list-style-type: none"> • Utilities • Capital Facilities • Subarea Plans (to the extent they need to be integrated with the document)
<p>Q2 Completed:</p> <ul style="list-style-type: none"> • Council briefing on early scope/schedule for update (tentative) 	<p>Q2 Completed:</p> <ul style="list-style-type: none"> • Community Design • Housing Element (build and use work from Housing Action Plan) 	<p>Q2 Completed:</p> <ul style="list-style-type: none"> • Integrate final document (design, graphics, etc.) • Adopt SEPA (early Q2) • Adoption of final ordinance completing periodic update (June 30, 2024)
<p>Q3 Completed:</p> <ul style="list-style-type: none"> • Kick-off visioning/engagement 	<p>Q3 Completed:</p> <ul style="list-style-type: none"> • Economic Development Element 	<p>Q3 Completed:</p> <ul style="list-style-type: none"> • Plan submittal for review/certification (PSRC) • Other regulatory filings (Commerce, etc.)
<p>Q4 Completed:</p> <ul style="list-style-type: none"> • Transportation Master Plan • Transportation Element • Climate Action Plan Update 	<p>Q4 Completed:</p> <ul style="list-style-type: none"> • PROS (due by 2024) – Parks Board & PC/CC • Natural Environment (integrate work from Climate Action Plan and Surface Water Master Plan) 	<p>Q4 Completed:</p>

NOTES:

- Functional plan updates will update goals, policies, and supporting analysis, where able (e.g. Transportation Master Plan, Surface Water Master Plan, PROS, etc.)



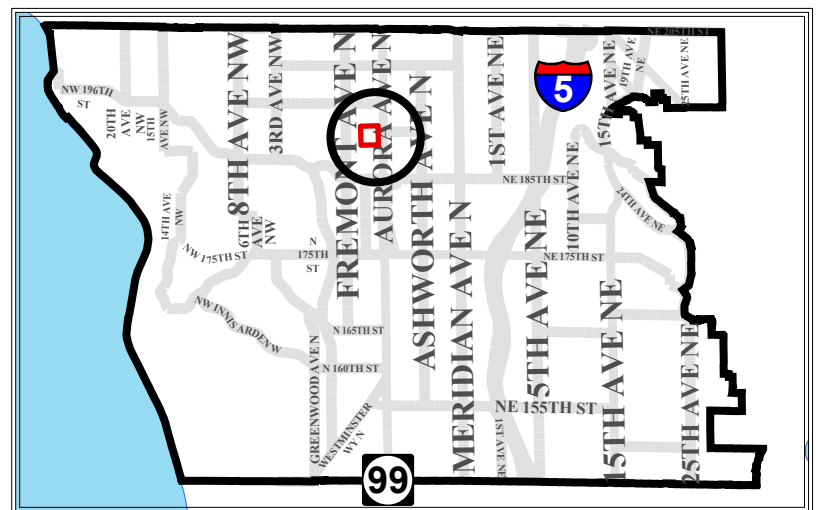
**N 192nd St & Whitman Ave N
Comprehensive Plan Amendment
Public Facility to High Density Residential**

Land Use Legend

- | | |
|----------------------------|----------------------|
| Station Area 1 | Mixed Use 2 |
| Station Area 2 | Mixed Use 1 |
| Station Area 3 | Town Center District |
| Low Density Residential | Public Facility |
| Medium Density Residential | Public Open Space |
| High Density Residential | Private Open Space |
| Institution/Campus | - Parcel Line |
| Planned Area 3 | |

Feature Legend

- | | |
|-----------------|--------------------|
| - Parcel Change | - Unclassified ROW |
| - City Boundary | - Parcel Line |

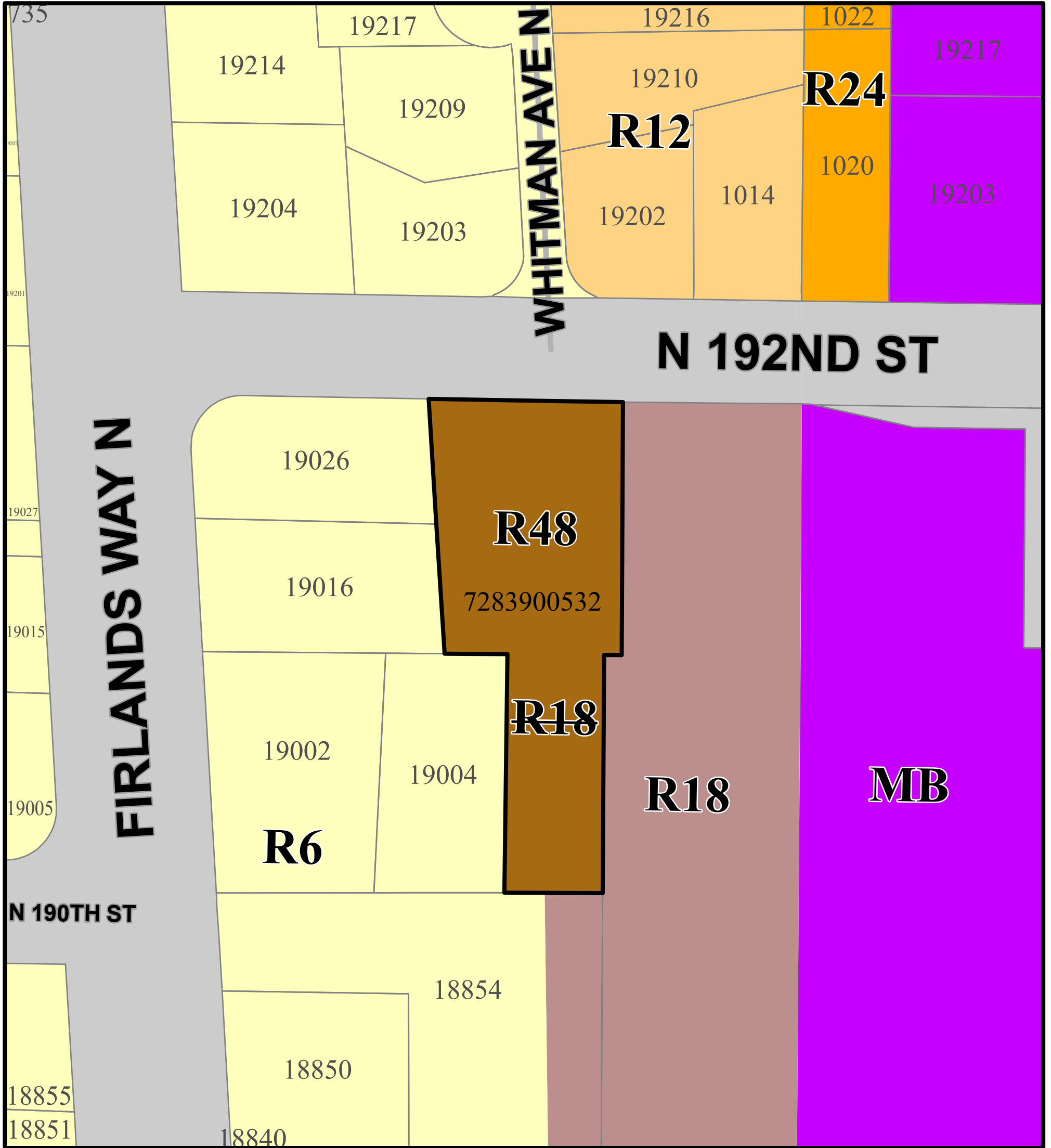


No warranties of any sort, including accuracy, fitness, or merchantability, accompany this product.

Date Printed: Date: 2/8/2021 | Request: 28210



Zoning Update: N 192nd St & Whitman Ave N Att. D



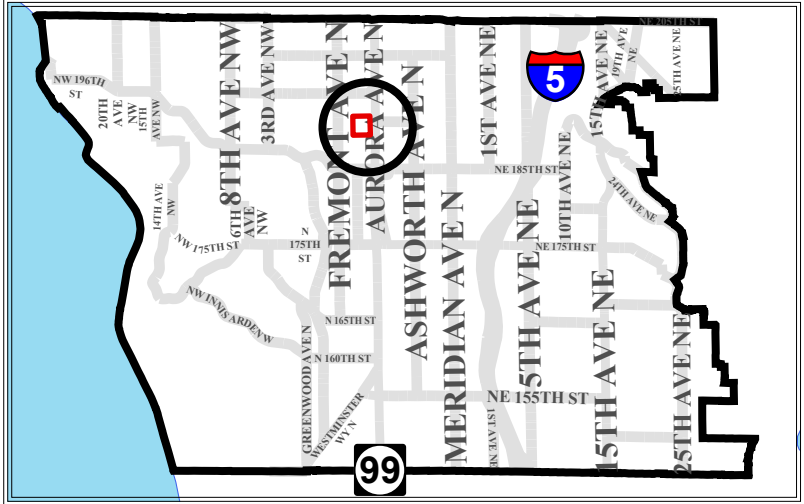
N 192nd St & Whitman Ave N Zoning Update R-18 to R-48

Land Use Legend

- | | |
|----------------------------|----------------------|
| Station Area 1 | Planned Area 3 |
| Station Area 2 | Mixed Use 2 |
| Station Area 3 | Mixed Use 1 |
| Low Density Residential | Town Center District |
| Medium Density Residential | Public Facility |
| High Density Residential | Public Open Space |
| Institution/Campus | Private Open Space |

Feature Legend

- | | |
|-----------------|--------------------|
| - Parcel Change | - Unclassified ROW |
| - City Boundary | - Parcel Line |



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Date Printed: Date: 2/8/2021 | Request: 28210



Comprehensive Plan General Amendment Application

Applicant name: Save Shoreline Trees

Address: 16069 Dayton Ave N, Shoreline, WA 98133

Phone: 510-599-7135

Submitted by: Kathleen Russell, Save Shoreline Trees/Communications

Email: krussell@russell-gordon.com

Proposed amendment:

"Housing development and preservation of Significant trees can co-exist with the goal of maintaining and increasing Shoreline's urban tree canopy."

Reference Element: Land Use

Why is this being proposed?

There are many statements in the Comprehensive Plan stating the need to protect and preserve the tree canopy in Shoreline. This proposed amendment adds the recommendation that building development and the urban tree canopy can co-exist.

How does the amendment address changing circumstances or values in Shoreline?

This amendment addresses the increasing development taking place in Shoreline and the need to preserve the tall conifers and native trees.

Describe how the amendment is consistent with the current Shoreline Comprehensive Plan?

The current Shoreline Comprehensive Plan mentions the importance of trees in several Elements. In the introduction, Land Use, Community Design, and Natural Environment, there are many supportive statements regarding trees and the urban tree canopy. The proposed amendment addresses both Land Use, Community Design and Natural Environment. This proposed amendment is definitely consistent with the current Shoreline Comprehensive Plan.

How will this amendment benefit the citizens of Shoreline?

As mentioned in the introduction of the Comprehensive Plan, Vision 2029, page 3:

"People are first drawn here by the city's beautiful natural setting and abundant trees..."

The proposed amendment confirms that the urban tree canopy is important to citizens. This amendment addresses the City vision of housing development and the importance of Shoreline's mature conifer and native trees.

As stated in the Shoreline's own 2020 Green Shoreline publication: *"Protecting, enhancing, and maintaining the trees that comprise Shoreline's urban forest – in neighborhoods, urban areas and parks-is critical to the health and welfare of the citizens of Shoreline and will have a positive impact on the entire region."*

Include any data, research or reasonings that support the proposed amendment.

As included in the current Comprehensive Plan, there are many references to Shoreline's urban canopy as listed in the following Elements: Land Use, Community Design, and Natural Environment.

Examples:

- **Land Use:** Policy LU6: "Allow flexibility in regulations to protect existing stands of trees."
- **Community Design:** Policy CD37: "Minimize the removal of existing vegetation, especially mature trees, when improving streets or developing property."
- **Natural Environment:** Goal NE X: "Maintain and improve the city's tree canopy."
- **Natural Environment:** Policy NE 19: "Minimize removal of healthy trees, and encourage planting of native species in appropriate locations."

Additional sources: why urban trees are necessary

Established Trees and Housing Can Co-Exist

Letter to the Editor by Claudia Turner

Shoreline Area News, July 27, 2021

<https://www.shorelineareanews.com/2021/07/shoreline-trees-established-trees-and.html>

Importance of urban trees

US Cities Losing Millions of Trees, CNN Sept. 18. 2019

<https://www.cnn.com/2019/07/20/health/iyw-cities-losing-36-million-trees-how-to-help-trnd/index.html>

<https://www.treepeople.org/22-benefits-of-trees/>

"Trees are major capital assets in cities across the United States. Just as streets, sidewalks, public buildings and recreational facilities are a part of a community's infrastructure, so are publicly owned trees. Trees -- and, collectively, the urban forest -- are important assets that

require care and maintenance the same as other public property. Trees are on the job 24 hours every day working for all of us to improve our environment and quality of life.” Colorado Trees/benefits

The Benefits of Trees for Livable and Sustainable Communities

<https://nph.onlinelibrary.wiley.com/doi/full/10.1002/ppp3.39>

Benefits of Urban Trees

<https://www.state.sc.us/forest/urbben.htm>

Birds and Trees

For the Birds: The Birds and the Trees

<https://www.shorelineareanews.com/search?q=for+the+birds+trees>

by Christine Southwick as published in *Shoreline Area News*

Heat Island Effect in cities and how urban trees can lower temperatures

<https://www.epa.gov/heatislands/learn-about-heat-islands>

<https://www.kuow.org/stories/heat-wave-death-toll-in-washington-state-jumps-to-112-people>

Att. E - Kathleen Russell Application

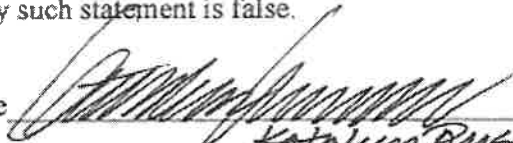
Att. E - Kathleen Russell Application

Support for the Amendment - Explain the need for the amendment. Why is it being proposed? How does the amendment address changing circumstances or values in Shoreline? Describe how the amendment is consistent with the current Shoreline Comprehensive Plan, if inconsistent, explain why. How will this amendment benefit the citizens of Shoreline? Include any data, research, or reasonings that supports the proposed amendment. (A copy of the Shoreline Comprehensive Plan is available for use at the Planning & Community Development department, Shoreline Neighborhood Police Centers, and the Shoreline and Richmond Beach libraries).

See separate form as submitted by Save Shoreline Trees

Signature - An amendment application can not be accepted unless the signature block below has been completed. The applicant certifies that all of the aforementioned statements in this application, any exhibits and/or maps transmitted herewith are true and the applicant acknowledges that any amendment granted based on this application may be revoked if any such statement is false.

Application Signature



Date

12-1-21

Kathleen Russell, Save Shoreline Trees

PROPOSED AMENDMENTS WITHOUT THE REQUIRED APPLICATION INFORMATION MAY BE REJECTED OR RETURNED FOR ADDITIONAL INFORMATION.



City of Shoreline

Planning & Community Development

17500 Midvale Avenue North Shoreline, WA 98133-4905

Phone: (206) 801-2500 Fax: (206) 801-2788

Email: pcd@shorelinewa.gov Web: www.shorelinewa.gov

Permit Hours – M, T, TH, F: 8:00 a.m. to 4:00 p.m. | W: 1:00 to 4:00 p.m.

COMPREHENSIVE PLAN
GENERAL AMENDMENT
APPLICATION

Amendment proposals may be submitted at any time, however if it is not submitted prior to the deadline for consideration during that annual amendment cycle, ending on December 1st, the amendment proposal will not be considered until the next annual amendment cycle.

Please attach additional pages to this form, as needed.

Contact Information - If the proposal is from a group, please provide a contact name.

Applicant Name Janelle Callahan

Address 15532 11th Ave NE City Shoreline State WA Zip 98155

Phone (206) 420-3320 Fax n/a Email janellecallahan@gmail.com

Proposed General Amendment - This can be either conceptual: a thought or idea; or specific changes to wording in the Comprehensive Plan, but please be as specific as possible so that your proposal can be adequately considered. If specific wording changes are proposed please use underline to indicate proposed additions and strikethrough to indicate proposed deletions. **Please note that each proposed amendment requires a separate application.**

Communities worldwide are having to adapt to a multi-billion-dollar industry¹ that no one imagined just 20 years ago. Short-term rentals affect how homes are used in a community, and local government regulations can help guide this usage. Like many communities, Shoreline’s municipal code currently says nothing about short-term rentals. The existing definitions for “bed and breakfasts”² and “boarding houses”³ are insufficient. They only address single-room or suite rentals, not the rental of an entire house, apartment, or accessory dwelling unit (ADU). Someone who is renting a room/suite and living on-site could be considered a bed and breakfast operator in Shoreline. A boarding house does not require owner occupancy, but it is for dwellings like “fraternity houses, sorority houses, off-campus dormitories, and residential clubs.” It is not known if those who advertise on short-term rental platforms have bed and breakfast or boarding house permits from the city. Because these definitions do not reflect the current business model, operators may not realize they should have a permit. By adopting the following definition for short-term rentals, requiring a city business license and other clarifications, the city would be addressing rapidly changing circumstances and benefit Shoreline’s citizens.

Short-term rentals.

A. Short-term rentals are the use of an entire dwelling unit by any person or group of persons to occupy for rent for a period of less than thirty consecutive days. Short-term rentals do not include bed and breakfast inns, hotels and motels, or boarding houses.

B. License Required. A city business license is required to operate a short-term rental. No more than two short-term rental sites may be operated by any individual, marital group, a group of people, or a corporate entity such as an LLC, within the city.

C. Location. A short-term rental use may be located in a dwelling unit or an accessory dwelling unit. See SMC 20.40.210 for applicable accessory dwelling unit requirements.

¹ Estimated revenue from the short-term rental industry in the U.S. is expected to be about \$15 billion in 2021.

<https://ipropertymanagement.com/research/vacation-rental-industry-statistics>

² <https://www.codepublishing.com/WA/Shoreline/#!/Shoreline20/Shoreline2040.html#20.40.250> (Last updated 2004).

³ <https://www.codepublishing.com/WA/Shoreline/#!/Shoreline20/Shoreline2040.html#20.40.260> (Last updated 2008).

Reference Element of the Shoreline Comprehensive Plan (required) and page number (if applicable) - (e.g. Land Use, Transportation, Capital Facilities, Housing, etc.)

This proposed amendment supports:

- Housing Goal II, to “Encourage development of an appropriate mix of housing choices through innovative land use and well-crafted regulations” (p. 39).
- Housing Goal III, to “Preserve and develop housing throughout the city that addresses the needs of all economic segments of the community, including underserved populations, such as households making less than 30% of Area Median Income” (p. 39).
- Economic Development Goal I, to “Maintain and improve the quality of life in the community by: increasing employment opportunities and the job base; supporting businesses that provide goods and services to local and regional populations; and reducing reliance on residential property tax to fund City operations and capital improvements” (p. 55).

Att. F - Janelle Callahan Application

Support for the Amendment - Explain the need for the amendment. Why is it being proposed? How does the amendment address changing circumstances or values in Shoreline? Describe how the amendment is consistent with the current Shoreline Comprehensive Plan, if inconsistent, explain why. How will this amendment benefit the citizens of Shoreline? Include any data, research, or reasonings that supports the proposed amendment. (A copy of the Shoreline Comprehensive Plan is available for use at the Planning & Community Development department, Shoreline Neighborhood Police Centers, and the Shoreline and Richmond Beach libraries).

Short-term rentals serve a variety of purposes. A search on popular short-term rental platforms reveals that there are short-term rentals in Shoreline. Guests come here as tourists, as well as for extended stays for a few weeks or months for various reasons (e.g., academics, business travelers, health care providers, patients or their families). Many of the listings publicize Shoreline's closeness to downtown Seattle as a great feature. A short-term rental generates income for the operator and tax revenue for the city.⁴ In this sense, short-term rentals regulations support Goal H II of the Comprehensive Plan, to "Encourage development of an appropriate mix of housing choices through innovative land use and well-crafted regulations," and Economic Development Goal I to create jobs, support businesses, and "reduce reliance on residential property tax to fund City operations and capital improvements."⁵ By defining what a short-term rental is, and what the requirements are, the city can provide clarity to short-term rental operators and grow tax revenue from short-term rental businesses by making clear it is an allowed use.

The number of short-term rentals in Shoreline is currently unknown. It is not known how short-term rentals may be affecting housing affordability and availability. In a 2019 report prepared for the Washington State Department of Commerce on "Issues Affecting Housing Availability and Affordability," it is recommended that: "In an urban or suburban setting, demand for housing also can occur from uses that are temporary or second home in nature... Local jurisdictions in an urban or suburban setting should, therefore, seek to understand not only the volume of second home and temporary rental demand, but also the potentially complex nature of temporary rentals and second home demand."⁶

It is also unknown how many short-term rental listings in Shoreline are owner-occupied "bed and breakfasts" or whole dwelling ("absentee landlord") rentals. A study found that areas where owner-occupancy rates are higher are less affected by increases in rental rates or housing costs associated with short-term rentals. Bed and breakfast rentals do not take away from housing stock because someone is living there. Whole house short-term rentals, on the other hand, reduce the supply and create greater competition for long-term resident housing.⁷

Those who are renting long-term, especially those who are renting single-family homes here in Shoreline, may be vulnerable to displacement. An owner may decide to turn their property into a short-term rental because there may be potential to earn more income. The Department of Commerce report noted that: "Vacation rentals tend to earn more in rent per-night than as permanent housing." The average nightly rate in Seattle is estimated to be \$163/per night.⁸ If a property can be booked only 10 nights per month, the operator's income would be more than the average monthly long-term rent in our area (\$1,476).⁹

This proposed amendment supports Goal H III, to "Preserve and develop housing throughout the city that addresses the needs of all economic segments of the community, including underserved populations, such as households making less than 30% of Area Median Income" (p. 39). Currently, existing data assumes a single-family home in Shoreline is occupied by an owner, and a unit in a multi-family building is assumed to be occupied by a renter. The problem is that there are, in fact, single-family homes being used as rentals, but we do not know how many there are, or if demand for single-family homes as short-term rentals may be increasing. To assess and respond to the problem of housing affordability and availability, the city must be able to track short-term rentals.

⁴ [Substitute House Bill 1798](https://lawfilesexternal.wa.gov/biennium/2019-20/Pdf/Bill%20Reports/House/1798-S%20HBR%20FBR%2019.pdf?q=20211021190200) - Requires short-term rental operators and platform providers register with the state Department of Revenue and remit all local, state, and federal taxes - Effective July 28, 2019. <https://lawfilesexternal.wa.gov/biennium/2019-20/Pdf/Bill%20Reports/House/1798-S%20HBR%20FBR%2019.pdf?q=20211021190200>

⁵ [City of Shoreline Comprehensive Plan](#)

⁶ Department of Commerce, [Housing Memorandum: Issues Affecting Housing Availability and Affordability](https://deptofcommerce.app.box.com/s/npwem3s3rvcsya15nylbroj18e794yk7) - July 16, 2019. <https://deptofcommerce.app.box.com/s/npwem3s3rvcsya15nylbroj18e794yk7>

⁷ [Research: When Airbnb Listings in a City Increase, So Do Rent Prices](https://hbr.org/2019/04/research-when-airbnb-listings-in-a-city-increase-so-do-rent-prices) Barron et al. *Harvard Business Review*, April 17, 2019. <https://hbr.org/2019/04/research-when-airbnb-listings-in-a-city-increase-so-do-rent-prices>

⁸ [InsideAirBNB](http://insideairbnb.com/seattle/) - Seattle - Accessed Oct. 21, 2021. <http://insideairbnb.com/seattle/>

⁹ [MIT Living Wage Calculator](https://livingwage.mit.edu/metros/42660) - Seattle - Housing for a single adult with no children. Accessed Oct. 21, 2021. <https://livingwage.mit.edu/metros/42660>

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Other local jurisdictions have adopted codes to regulate short-term rentals. Most notably, the city of Seattle adopted regulations in 2018 because of the recognized impact the abundance of short-term rentals was having on housing affordability and availability.¹⁰ In August 2021, the city of Everett adopted a definition of short-term rental and required operators to have a city business license.¹¹ This proposal is based on the city of Everett's code. Shoreline should adopt similar code to define and track short-term rentals, trends, and possible effects on housing, and to be fair among all types of businesses in Shoreline. A short-term rental operator should be held to the same standard as any business owner. Shoreline requires a city business license for any business generating \$2,000 or more per year.¹² The code should be updated to make clear that this requirement includes short-term rental operators. This proposal may also raise awareness that owners of bed and breakfast types of rentals need permits.

Since 2019 in Washington state, short-term rental operators are required to register with the Department of Revenue, pay applicable state and local taxes, and have liability insurance. The state does not ask for or report the numbers or locations of short-term rentals, however, leaving it up to local governments to determine specific regulations. Since the state clarified that a short-term rental is a business, the city of Shoreline should as well. Since the state's role is limited to requiring liability insurance and collecting taxes for short-term rentals, the city should adopt code to say how short-term rentals may operate in our community.

One might question whether we should allow short-term rentals in Shoreline. Banning short-term rentals entirely is likely not the answer. They are here already, they serve a purpose by providing different types of housing, and they have economic benefit. A study found cities that restrict short-term rentals have reduced development compared with cities that do not. Cities that allow short-term rentals had 17% more accessory dwelling unit (ADU) permit applications and 9% more permit applications of other types. The results suggest demand for short-term rentals helped spur creation of new housing.¹³ If an ADU can be used as a short-term rental, it may provide the financing opportunities and rental income to allow a person to continue to live in their house in Shoreline. It may eventually be necessary to cap the number of whole house short-term rental permits at some point in the future. If the process of tracking these changes starts now, the city will be in a better position to leverage the advantages of short-term rentals and prevent or minimize negative impacts.

One might question why Shoreline should address the issue of short-term rentals right now. One might assume it is not a problem in Shoreline because we have not had widespread or visible problems with short-term rentals (e.g., "party houses") like other communities. But the fact is, we have no analytical insight into how short-term rentals may be affecting housing availability and affordability. The city and its residents may also be missing opportunities for growing tax revenue, incomes, jobs, and new housing development by continuing to ignore short-term rentals. This proposal would deliver information needed to understand the impact of short-term rentals on the city housing market and help make informed policy decisions.

There is a tremendous upheaval now with "the Great Resignation." People are quitting jobs and moving in record numbers. More than 4 million workers voluntarily resigned from their jobs in August 2021, the highest number ever recorded in the 20 years since the U.S. Department of Labor began reporting these figures.¹⁴ In September 2021, this record was broken with 4.4 million workers quitting.¹⁵ It is unknown how opportunities for remote work may be affecting choices to continue living in Shoreline or move somewhere else where the cost of living may be lower. It is possible some Shoreline homeowners may be purchasing second homes elsewhere and renting their Shoreline homes. There may also be residents for whom renting space on their property provides much-needed supplementary income. For these reasons, it is urgent to gather data on short-term rentals now.

This proposal benefits the citizens of Shoreline by creating a definition of short-term rental to help understand the situation in our city. It provides clarity for short-term rental operators who generate tax revenue for the city. It specifies that a short-term rental may be in an ADU and is subject to the requirements under the city's ADU code. It limits the number of short-term rental sites to two per operator to ensure that no single entity dominates the short-term rental market in Shoreline.

¹⁰ [Seattle Municipal Code 23.42.060](https://www.seattle.gov/sdci/codes/common-code-questions/short-term-rentals) - Effective Jan. 7, 2018. <https://www.seattle.gov/sdci/codes/common-code-questions/short-term-rentals>

¹¹ [City of Everett Municipal Code 19.08.150](https://everett.municipal.codes/EMC/19.08.150) - Effective Aug. 25, 2021. <https://everett.municipal.codes/EMC/19.08.150>

¹² [City of Shoreline Business Licenses](https://www.shorelinewa.gov/government/departments/city-clerk-s-office/business-licenses) - Accessed Oct. 21, 2021. <https://www.shorelinewa.gov/government/departments/city-clerk-s-office/business-licenses>

¹³ [Research: Restricting Airbnb Rentals Reduces Development](https://hbr.org/2021/11/research-restricting-airbnb-rentals-reduces-development). Bekkerman et al., *Harvard Business Review*, November 17, 2021. <https://hbr.org/2021/11/research-restricting-airbnb-rentals-reduces-development>

¹⁴ [Workers quitting their jobs hit a record in the U.S. in August](https://www.nytimes.com/2021/10/12/business/economy/workers-quitting-august.html). *New York Times*, Oct. 12, 2021. <https://www.nytimes.com/2021/10/12/business/economy/workers-quitting-august.html>

¹⁵ [The number of U.S. workers quitting their jobs in September was the highest on record](https://www.nytimes.com/2021/11/12/business/economy/jobs-labor-openings-quit.html). *New York Times*, Nov. 12, 2021. <https://www.nytimes.com/2021/11/12/business/economy/jobs-labor-openings-quit.html>

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This proposed amendment will shed light on an unknown situation during a time of great change. What percentage of the available housing in Shoreline is occupied by homeowners, long-term renters, and short-term renters? How do the numbers compare among our 14 different neighborhoods? Is it a bed and breakfast rental with an owner/manager living on the property, or is it a whole house rental that affects the city's housing stock? These are important measures to track if we are to understand and improve housing availability and affordability. Addressing short-term rentals protects our most at-risk residents, our low-income renters, by monitoring the numbers and trends, and perhaps making further adjustments to this code if necessary.

Signature - An amendment application can not be accepted unless the signature block below has been completed. The applicant certifies that all of the aforementioned statements in this application, any exhibits and/or maps transmitted herewith are true and the applicant acknowledges that any amendment granted based on this application may be revoked if any such statement is false.

Application Signature *Janelle Callahan* Date 11/29/2021

PROPOSED AMENDMENTS WITHOUT THE REQUIRED APPLICATION INFORMATION MAY BE REJECTED OR RETURNED FOR ADDITIONAL INFORMATION.