

**CITY OF EDMONDS  
PLANNING BOARD MINUTES**

**February 11, 2009**

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Chair Bowman called the meeting of the Edmonds Planning Board to order at 7:00 p.m. in the Council Chambers, Public Safety Complex, 250 – 5<sup>th</sup> Avenue North.

**BOARD MEMBERS PRESENT**

Michael Bowman, Chair  
Phillip Lovell, Vice Chair  
Judith Works  
John Reed

**STAFF PRESENT**

Rob Chave, Planning Division Manager  
Duane Bowman, Development Services Director  
Karin Noyes, Recorder

**BOARD MEMBERS ABSENT**

Jim Young (excused)  
Cary Guenther (excused)

**READING/APPROVAL OF MINUTES**

There was not a quorum of Board Members who were present at the January 28<sup>th</sup> meeting. Therefore, approval of the minutes was postponed until the February 25<sup>th</sup> meeting.

**ANNOUNCEMENT OF AGENDA**

No changes were made to the agenda.

**AUDIENCE COMMENTS**

No one in the audience expressed a desire to address the Board during this portion of the meeting.

**PUBLIC HEARING ON PROPOSED REGULATIONS DEALING WITH SHORT-TERM RENTALS IN SINGLE-FAMILY ZONES**

Mr. Bowman reviewed that the Board held a workshop discussion in January regarding this topic, after which they directed staff to advertise for a public hearing to take testimony regarding proposed regulations to deal with short-term rentals in single-family (RS) zones. Since the Board's last discussion, the City Attorney has weighed in on the issue and provided a memorandum that was included in the staff report. The City Attorney specifically suggested a process for dealing with pre-existing short-term rentals in RS zones by setting up an amortization period.

Mr. Bowman recalled that the City Council adopted Interim Zoning Ordinance 3702 on November 3, 2008, which established a 7-day standard for short term rentals in RS zones. They conducted a public hearing on December 16, 2008, and subsequently referred the matter to the Planning Board. At their initial review of the issue, the Board indicated interest in establishing a 30-day period for short-term rentals. Staff reviewed this option with the Building Official and learned that this

time period would coincide with the time period identified in the International Building Code (IBC). He reported that staff researched other jurisdictions and found that 30 days is a common standard for short-term rentals in single-family zones.

Mr. Bowman reminded the Board that they would be required to recommend findings to the City Council regarding this issue, and the City Attorney has recommended the Board specifically seek public testimony regarding the following:

- The harm, if any, that short-term rentals create for the neighborhoods in which they are located.
- Any economic expectations presented by the renters, such as costs they may have incurred to advertise the units and specific improvements, if any, that have been made to adapt the property to the specific short-term rental use.
- What short-term rentals should be permitted and what term should be allowed.
- How long of a time period should existing uses be allowed to amortize out.

Again, Mr. Bowman reminded the Board and audience that the current interim ordinance allows short-term rentals of no less than 7 days. For public hearing purposes, the Planning Board has offered the concept of establishing a 30-day minimum rental period. At the conclusion of the public hearing, the Board would be asked to provide direction to staff to prepare specific findings for them to review and modify and then forward a recommendation to the City Council. The City Council would conduct another public hearing based on the Board's recommendation, so the public would have an additional opportunity to voice their concerns. Again, he reminded the audience to focus their testimony on the questions raised by the City Attorney.

Mr. Bowman announced that after the staff report was prepared, the City received two additional letters. He read each of the letters into the record as follows:

- **John E. Pauls** – I support proposed regulations dealing with short-term rentals in RS zones (File #AMD-08-16). Limiting rental terms to a minimum of 30 days would maintain the integrity of RS zoning. One night rentals are more appropriate to commercial use zones and are not in keeping with the character of neighborhoods composed of RS homes. The proposed regulation is not about any single person or neighborhood. It speaks to the integrity of the entire zoning process throughout our city, and I therefore support it.
- **Wendy Chaffee** – I am writing my concern about the short-term (RS) rental proposal that will be up before the Planning Board on February 11<sup>th</sup>. I feel strongly that this would be a mistake. Please consider not allowing a 7-day limit.

**The public testimony portion of the hearing was opened.**

**Sally Wassall, Edmonds**, said she agrees with the two letters read previously by Mr. Bowman. She said she and her husband purchased their home in 1988 in a neighborhood that was and is still zoned RS-6. Many of her neighbors have lived in the area even longer, and many are widows who have caregivers. They like the community feel of knowing and depending on their neighbors, and they do not want short-term rentals, vacations rentals, or any other type of 7-day rentals along their street of RS homes. She recommended the requirement should be no less than 30 days in RS. She said she doesn't want people moving in and out and parking cars on the street at night; transient people present a threat to people who have lived in the neighborhood for years.

Ms. Wassall said it is unfortunate that the triplex is even allowed in a RS zone via the grandfather provision. She noted that the previous owner of the triplex lived in one of the units, and rented the others on a long-term basis. There were originally four kitchen areas on the property; one being in the basement. The new property owner has set up a short-term rental situation, and the neighbors do not want this type of commercial operation in the area. There are plenty of commercial zones in Edmonds, and there is a hotel at Harbor Square. They do not want another situation in Edmonds like last summer where police were called 8 times to a large home that was being rented on a short-term basis.

**Jim Wassall, Edmonds**, urged the Board to recommend to the City Council that rentals in Edmonds should be no less than 30 days. He pointed out that this is not just a Sunset Avenue problem; it is a City of Edmonds problem. The new owner of the triplex, Mr. Wilkinson, is advertising the units on a website as 7-day rentals. As of yesterday, there was only one week when the units were not booked. He said he talked to many of his neighbors about this issue, and all agreed with him that no short-term rentals of less than 30 days should be allowed in RS zones. He expressed his belief that RS neighborhoods are

not appropriate locations for short-term rentals, vacation rentals, etc. These types of short-term rentals should be classified as businesses. He recalled that when the issue came before the City Council in December, the City Attorney indicated that the City cannot issue business licenses for properties in RS-6 zones, and he hopes that is still the case. The previous owner of the triplex offered the units on a long-term lease basis. He asked that the Board please recommend limiting rentals in RS zones to a minimum of 30 days.

**John S. Ryan, Edmonds**, said he owns the large home on Cyrus Place that has been the topic of discussion regarding the proposed regulations. He explained that he is a homeowner who is struggling to make his mortgage payments. He has always respected his neighbors and has never wanted any trouble to occur. He has always rented his home to people he thought would be respectful, and he has talked with most of his neighbors and given them a phone number they could use to personally contact him if problems come up. He acknowledged that problems have come up on occasion, and he personally took care of these situations. He said he would like to continue to rent his property and work with the neighbors to handle potential problems. He reported that when the City Council adopted the interim ordinance establishing a minimum rental period of 7 days, he made changes to meet that new standard. He no longer rents for less than a week, and he no longer rents the house for major events. He is also trying to limit the number of people to 24. He said that he likes allowing people to have weddings in his beautiful home, which should be used for entertaining. He said he would rather let other people use the house to enjoy themselves, whether it be a family reunion or a small wedding, than keep the house all to himself.

Mr. Ryan noted that many people in the area are struggling with economic issues, and short-term rentals is a creative idea that allowed him to generate enough revenue to pay his mortgage. He said he meant no disrespect to his neighbors. Although his property is located on a 20,000 square foot lot, noise tends to bounce off the back of his house towards the neighbors. He tells his renters to use the front yard, instead, because the sound dissipates better in this location. He emphasized that he tries to get his renters to have ultimate respect for the neighbors. He recognized that people paid a lot of money to purchase homes in the neighborhood, and they deserve to have a quiet neighborhood. He expressed his belief that with proper management and a bit of learning, it would be possible to operate this type of use successfully and still satisfy the neighbors. He said he has already learned a lot, and he asked that the Board at least allow him to rent his home for a minimum of 7 days. He noted they can always make the regulation more stringent if problems come up.

Mr. Ryan agreed that police have been called to his home on occasion. However, he noted that of the seven times, four were related to the same group of renters. Two of the remaining calls were associated with one group, as well. He summarized that the police were called to his home on three different nights, not the seven or eight that have been identified by some of the neighbors. Previous statements that the police had been to the home every weekend during the summer are simply not true.

Vice Chair Lovell asked Mr. Ryan to point out the location of his property on a map. He also asked if Mr. Ryan currently lives in the home in question. Mr. Ryan answered affirmatively.

**Heidi Hardwick, Edmonds**, said she lives in the home that is owned by Mr. Ryan on Cyrus Place. She explained that when she went through the process of becoming one of his tenants, she was concerned because she had read the negative letters to the editor in the local newspapers. She said she contacted her ex husband, who is an Edmonds Police Officer, for feedback on the property. He indicated that no harm would come to her from Mr. Ryan. She said he has found Mr. Ryan to be an honest and respectful man. He is trying hard to manage his high mortgage payments, and it was unfortunate that some of the previous renters took advantage of his kindness. However, the police indicated they were not concerned about the property or Mr. Ryan.

Ms. Hardwick expressed concern that Ms. Wassall appears to be prejudging people who stay in short-term rental properties by calling them transients and suggesting they are criminals who could harm her property. Ms. Hardwick pointed out that before she could rent space in Mr. Ryan's home, she had to fill out an application and a background check was done. She pointed out that sometimes people end up in unfortunate situations and they need a place to stay on a short-term basis. She said she signed a 30-day lease agreement with Mr. Ryan, and he has gone above and beyond to try and be respectful to her and to the surrounding property owners. Ms. Hardwick emphasized that no final decisions have been made regarding this issue, so it is not necessary for people to be so critical and judgmental of Mr. Ryan at this time. He has been completely above board in his activities.

**APPROVED**

**Steven Tholl, Edmonds**, indicated that he and Diane Bucknish previously submitted an email to the Board regarding the proposed ordinance. He advised that both of them are adamantly opposed to short-term rentals of less than 30 days, and they believe these uses should be considered commercial businesses rather than a residential uses. He agreed that people are struggling to pay their mortgage payments, but this does not change the fact that they properties are not located in commercial zones, and they should not be operated as such. He reminded the Board that there are zoning laws to separate residential and commercial uses, and any reduction in the minimum 30-day time period would result in all RS properties becoming a type of commercial zone. Mr. Tholl said he owns rental property in another state, and he does credit and reference checks on all of his potential long-term tenants. He explained that the hit rate on tenants is about 85 to 90%. He shared that he had a renter who was great for four years, but then she started selling marijuana out of the home. While credit and reference checks can easily be done, problems can still come up, and there is no way a check can be completed for every person who wants to rent a unit for 7 days. Therefore, the chance of getting undesirable tenants would be higher than someone who rents units on a long-term basis.

Mr. Tholl recalled that at the City Council hearing it was noted that no traffic study had been completed to address traffic and congestion impacts. However, he suggested that commonsense says that rentals of 7-days would result in more traffic and congestion. He recalled the City Council also indicated they would be unable to enforce a 30-day minimum requirement because they do not have the resources to police the neighborhoods except on a complaint basis. He pointed out that it would be easy for neighbors to see who is renting the units if the requirement is 30 days, but if it is changed to 7 days, it would be impossible to know if people are actually renting for the required minimum amount of time. For this reason, he asked that the Board recommend leaving the minimum requirement at 30 days and not reduce it to 7 days.

**Marilyn Lindberg, Edmonds**, expressed her belief that if short-term rentals are allowed in RS neighborhoods, the character of Edmonds would be changed, and not for the better. A 7-day minimum requirement would allow anyone in Edmonds to operate a hotel in any neighborhood. Commercial zones should be used for hotel purposes, and the RS zones should be reserved for long-term residential occupancy. She said she has been a resident of Edmonds for 60 years, and she loves the ambiance of the small town. Allowing short-term rentals would change the character of the City. She asked that the Board please not allow short-term rentals to become effective. Once they are allowed, it would be difficult to stop them, and the RS property owners would be the losers.

**Michelle Hoverter, Edmonds**, said that she is speaking as a trustee of the Pinyerd Family Trust. She said she supports the 30-day limit on short-term rentals. She observed the City has developed, fostered, and honored a unique character in the downtown and historic areas, and allowing short-term rentals of less than 30 days would jeopardize the flavor of the community that Edmonds has worked so hard to keep and enhance. She also questioned the liability the City would create and incur if they were to allow unlicensed and unregulated hotel activities to take place in RS neighborhoods. She questioned who would check for safety compliance, which is part of the hotel standards but not part of the residential standards. She asked if short-term rentals would be required to pay the same taxes that hotels and motels are required to pay. She also expressed concern about the precedent that would be set if short-term rentals were allowed to occur in RS neighborhoods.

Ms. Hoverter said that just because a property has a good view, pleasant access, and a park like setting does not make it appropriate for short-term rentals. She said she sympathizes with property owners who thought they could convert an RS residence into something that would help them pay their mortgage, but the fact remains that they purchased a home in an RS zone. She suggested that perhaps in the case of the Cyrus Place home, the City could require a special use permit or something that would generate further public hearings about appropriate activities. But the Sunset Avenue is clearly not appropriate for short-term rentals of less than 30 days.

**Betty Larman, Edmonds**, provided each of the Board Members with a copy of the advertisement that Mr. Wilkinson provides on his website to rent his units and expressed her belief that the flyer makes it appear as though Mr. Wilkinson is operating a hotel. While she recognizes that America is a land of liberties, it is important to keep in mind that along with liberty comes responsibility. If a person purchases a home in an RS zone, they should not expect to have businesses operating on adjacent properties, which is basically what is being allowed to occur. She said she does not think the City wants to spot zone properties just to suit the whim or financial needs of an individual property owner. While it is unfortunate

that they have mortgages they cannot afford, she noted that many other people are going through the same struggles. She expressed her belief that short-term rentals of less than 30 days should not be allowed to occur in RS neighborhoods. It is not possible for the City to monitor these situations, and there are bound to be problems. If the Board supports zoning to allow a type of hotel use in an RS zone, it could end up destroying the look and feel of the area. People who want to operate hotels should purchase property in commercial zones, where the use is allowed. She recommended the Board recommend a minimum short-term rental period of 30 days.

Board Member Reed referred to the City Attorney's recommendation related to amortization. He asked Mr. Ryan how much time it would take him to come into conformance and what his financial impacts would be if the City Council were to adopt a 30-day minimum requirement. Mr. Ryan answered that when he received notice of the City Council's decision to limit short-term rentals to a minimum of 7 days, the City indicated they would allow him to honor the remainder of his current bookings. He said he does not book his house more than six months in advance, so he would need six months to conform to the new rules. He said he has been trying to warn people of this potential change, and he is considering alternative solutions to address his situation. However, he said he still believes the City should allow property owners in RS zones to rent their homes for vacation rentals and other short-term uses. Mr. Ryan pointed out that after the City Council passed the interim ordinance with a 7-day minimum requirement, all subsequent bookings were done in compliance with the new requirement.

**Donna Salins, Edmonds**, said she has lived in Edmonds for 21 years. She asked those in the audience who recognized her to raise their hand, and no one did. She said that she resided temporarily on Sunset Avenue in one of the rental units owned by Mr. Wilkinson, and she does not think she was a transient or that she posed a threat to the neighborhood. The unit she rented on Sunset Avenue offered a wonderful atmosphere and was a haven for her. Because she lived slightly outside of the bowl of Edmonds, she was not fully aware of everything that takes place in downtown Edmonds. There are wonderful stores and restaurants, and she also enjoyed the monthly art walks, etc. She said she has learned to participate in Edmonds more now that she has stayed in Mr. Wilkinson's unit. If she had not had that space to go in her time of need, she doesn't know what she would have done. She said she loves the fact that it was available on a temporary basis that would meet her needs, and she does not believe she disrupted the neighborhood when she came or when she left. In fact, she suggested that most of the neighbors did not even know she was there.

Ms. Salins expressed her belief that Mr. Wilkinson is a responsible property owner. The people who rent his units do not occupy on-street parking spaces since parking is provided on site, and she is not aware of any problems caused by people who stay in the units for 7 days. She noted that Mr. Wilkinson lives in one of the units, and he would not want someone living next door to him who would cause problems. She said she understands what the neighbors are trying to protect, but she does not think the current use poses a threat or danger.

**Scott Marques, Edmonds**, voiced concern about the Board's objection to the interim ordinance that was adopted by the City Council. He noted that nothing has been said thus far regarding the legitimate concerns of the Edmonds citizens. He referred the Board to a petition that was signed by 75 citizens and business owners in Edmonds in response to Interim Ordinance 3702. Mr. Marques said that, as a business owner in Edmonds, he has clients who visit the downtown on a regular basis. Having short-term rental opportunities has been a Godsend. These people now come back to the City to spend their money every summer because they have enjoyed their experience. He read the petition as follows:

"We, the undersigned, hereby object to the Edmonds City Council's action on November 3, 2008, whereby they approved interim zoning ordinance 3702 which restricts the amount of time that a residential rental may be rented by a private property owner in the City of Edmonds. We request that the Council address concerns regarding noise and disturbances in residential neighborhoods by strengthening and enforcing the current ordinances addressing this issue rather than passing another law that interferes with our citizens' private property rights. By appeasing a very few citizens, Ordinance No. 3702 harms the greater majority, including our local merchants. This is not the approach that our elected officials should take and we as voters strongly object to this approach and this action taken by the Council."

Mr. Marques said his home is located one street back and three houses away from Mr. Wilkinson's property, and he has three children and a wife. He said that he has never experienced noise from the triplex, and the police have never been called to the property. He said he is struggling financially, too, and has a hard time paying his mortgage. He said that if he had this

same opportunity, he would take advantage of it. He said he does not believe the neighbors should be concerned about the use.

**Michelle Hoverter, Edmonds**, pointed out that the public testimony thus far has personalized the issue when the discussion should be focused on the proposal to allow businesses of a hotel nature to occur in RS zones. She summarized that the issue is zoning and what uses should be allowed in an RS zone. The Board's charge is to figure out if this type of use is, in fact, a hotel. If so, how can they justify allowing the use to occur in an RS zone. Again, she said the issue before the Board is not about people, but about the type of activities that are allowed to occur in RS zones.

**Kristine Hovde, Edmonds**, agreed that the issue should not be personal, but it has become personal. She said she can sympathize with Mr. Ryan's position. She suggested the City needs to recognize that things are different than they were a few years ago. She said she has gotten to know some of Mr. Wilkinson's neighbors, and they are typically older women who are visiting their children and grandchildren and don't want to inconvenience them. The triplex was built in 1966 and it has always been a rental of three units. She noted that there is another bed and breakfast on Sunset Avenue that used to be operated by a former mayor of Edmonds. Ms. Hovde reminded the Board that the City currently has a significant budget deficit, and this must be taken into consideration, too. She suggested the City establish clear rules and regulations that can be enforced and then allow short-term rentals in RS zones. Ms. Hovde read the following letter from Peter W. Wilkinson into the record:

"I live next door to Jim Wilkinson. My address is 616 Sunset Avenue North, and my home is the only one directly adjacent to Mr. Wilkinson's rental units. First, I wish to state that, while I have the same last name, I am not related to Mr. Wilkinson. I have lived in the house I am in for ten years. There has been zero impact on my of Jim's practice of renting to people on a weekly basis. There have been no problems, no noise, no poor behavior, no practices of any kind which have impacted any part of the neighborhood adversely. I believe that I am in excellent position to judge, since my house's dining room, living room and kitchen are situated less than 20 feet from the rental units themselves. Jim has been a terrific neighbor, and his tenants have been no less so. There have been no exceptions from property maintenance to behavior issues.

But, even if this were not true, this is not something the City of Edmonds should be involved in. There is not inherent problem in a locale such as this with the practice of renting, whatever the length of time of the rental. In terms of Mr. Wilkinson's property, he has improved it, he has monitored what is going on, he has been impeccably able in his management of the whole situation. There are no circumstances that warrant limiting his rights, and there are no inherent reasons to do so that make any sense to me. I would be the most likely neighbor to be impacted if there was a problem of any kind. My strong recommendation, therefore, is for the City to leave him alone and let him run his own affairs as he sees fit. I regret that a vital business meeting keeps me from attending the hearing this evening. I would appear if I possibly could. Nevertheless, I appreciate your consideration of this letter."

**Jeff Coe, Edmonds**, said he is not in support of an ordinance that would establish a 7-day minimum requirement. He agreed with Ms. Hovde that the issue has become personal, and he said he has also heard misinformation from the neighbors who testified against the triplex use. However, he pointed out that he has not heard any facts to support the claim of potential impacts to the neighborhood. He said the reality is that 7-day renters usually only have one car or no car at all. There is space to park behind the units. From a financial standpoint, it is important to understand that these people typically spend money in the local businesses in the downtown because they don't have transportation to drive elsewhere. This impact is actually beneficial to the City. Mr. Coe clarified that there is no basement unit in the building.

Mr. Coe encouraged the Board and City Council to look at the broader picture in that the City needs to be hospitable to people. He noted that most of the short-term tenants of the triplex are older individuals, not people who could be considered transient. He referred to a letter submitted prior to the hearing by Geraldine Krochi, who suggested that short-term rentals should be kept on Aurora Avenue. Ms. Krochi asked the City to please halt the use before it destroys the street. He said this is another example of how the issue has become personal. He observed there has been no destruction as a result of the triplex, and in fact, the triplex has recently been significantly improved. He urged the Board to consider the proposal from an economic standpoint and think about how the use provides a benefit to the community by bringing people to the City. He

asked the Board to think clearly and support a 7-day requirement, since this is what would work the best for the City and the community.

Vice Chair Lovell inquired if Mr. Coe is a resident of one of the units. Mr. Coe answered affirmatively. At the request of Vice Chair Lovell, the property owner, Mr. Wilkinson, identified the location of his property on a map. He clarified there are three separate units with kitchens, and the structure was built as a triplex. All of the units are furnished.

**Jim Wilkinson, Edmonds,** pointed out that Ms. Wassall provided erroneous information to the City Council and the Planning Board. There is not and never was a kitchen area in the basement. The prior owner did have a refrigerator in the basement, but he gave it away after he purchased the property. Mr. Wilkinson said he reviewed the memorandum from the City Attorney, which suggests the Board must make findings that short-term rentals present a detriment to surrounding property owners. He noted that none of the previous speakers identified any specific detriments, and he hopes the Board continues to ask for this information. He expressed his belief that there are no detriments associated with the triplex on Sunset Avenue. The police have never been called in, and there have been no complaints. Until he stood before the City Council to say that he rents the units on a weekly basis, the next door neighbors did not even know.

Mr. Wilkinson referred to a recent San Juan Island court case regarding a property located in a RS zone that was being rented on a weekly basis. The Court of Appeals determined that the weekly rental use was identical to one's own use of the property as a resident or as a long-term tenant. The owner's receipt of income in no way detracted or changed the residential character of the house. The court found that the activity in the rental home was exactly the same as all other houses on the block and that weekly rentals should be considered the same as long-term rentals. The court further stated that the transitory or temporary nature of the use for vacation rentals does not defeat the residential status. The court concluded that this use would not be considered a business whether or not taxes were collected. The court determined that the owner had the right to enjoyment of the property, and the judgment went to the weekly rental owner.

Mr. Wilkinson explained that before he purchased and renovated the property, he approached City staff for more information. He told the staff person what he anticipated doing, and she explained how many people could stay in the house at any one time and said that bed and breakfast establishments were allowed anywhere in the City. She said there would be no problem with what he was proposing. While she neglected to tell him that a business license would be required, he was subsequently notified of the requirement and has had a business license for the past four years. He noted that at the City Council meeting in December, the City Attorney and Mr. Bowman informed the City Council that the City does not allow business licenses in RS zones. He suggested the Board get clear and accurate information regarding the business license requirement, because the previous owner of the triplex also had a business license for the property.

Mr. Wilkinson advised that the previous owner purchased the triplex for about \$150,000, and he was renting the units for \$400 each at the time he sold the property. Mr. Wilkinson emphasized that he paid \$1 million for the property and spent more than \$150,000 doing cosmetic remodeling projects on the interior of the building. He summarized that he has spent a lot of money on the property based on information he received from City staff, and he has used the property in a lawful way since he purchased it. If the City takes away his rent capacity and the current legal plans he has for the property, they should be prepared to reimburse him for his loss. He noted that the City's own website provides a link to his property, which he paid \$5,000 for. His participation in this web program was prompted by a letter from the Mayor that he was shown by the person selling the space.

Mr. Wilkinson summarized that he has a reasonable expectation that he will get a return on his investment, and he has a lawful right to rent the property. Any change in the City's regulations that limit this use would be considered a taking of property and the City would be required to compensate him for the loss. He invited someone to share the difference between the impacts associated with a 30-day requirement and those of a 7-day requirement. He noted there is nothing in the staff report to support this claim, and no facts have been presented by any of the public speakers. There is no evidence to support claims that short-term rentals result in traffic congestion, either.

Mr. Wilkinson expressed his belief that the proposed ordinance is intended to target specific property owners. Again, he reminded the Board that the court has determined that weekly rentals are identical to long-term rentals. If the City doesn't want to allow rentals in the City of Edmonds, they should write an ordinance that bans all residential rentals. He further

reminded the Board that the City Attorney's memorandum of February 5<sup>th</sup> mentions that the detriments must be identified in the ordinance, but there are none at this time.

Mr. Wilkinson said that, currently, the northern unit is being rented by a planner from the City of Shoreline, who agreed that the proposed ordinance does not make sense. He said he would like the City to provide objective reasons for why the ordinance is being considered. He said he quickly did some number crunching, and determined that if the City were to prohibit weekly rentals, he would lose approximately 50% of his income, which would be about \$60,000 per year. He explained that property values are calculated for income property such as his based on net operating dollars. If a 7-day minimum rental period were established, he estimates the value of his property would decrease by about \$850,000. He reminded the Commission that he checked with the City when he purchased his home, and they determined that he was using the property in a lawful manner. He said he has expectations for selling the property based on the value of the rent, the improvements he has made, and the money he has spent advertising the property. He observed that the City Council felt the ordinance was adequate to solve the problem on Cyprus Place, and that is why the interim ordinance was written for 7-days. Passing an ordinance that sets a minimum of anything more than 7 days would cause him immense harm.

Mr. Bowman asked Mr. Wilkinson how much time it would take him to come into conformance and what the financial impacts would be to him if the City Council were to adopt a 30-day minimum requirement. He said it is important for the Board and City Council to have a clear understanding of the property owners' financial commitments. Mr. Wilkinson said the examples the City Attorney provided in his memorandum to illustrate the concept of amortization are humorous. To compare a triplex on Sunset Avenue to an auto repair lot or a strip club in Seattle is ludicrous. Mr. Wilkinson said he has made a huge investment in his property, and he is not interested in the City Attorney's recommended amortization program. Even if he were allowed the current use of his property for the next 20 years, he would still experience a loss. He reminded the Board that his current activity was set up with the City's blessing and now they are trying to change the rules on him.

Board Member Works asked if Mr. Wilkinson would be supportive of a 7-day minimum. Mr. Wilkinson answered affirmatively. He said he has also let people rent his units for four to six months. He said he finds offense at the comments about his clientele. If you are spending \$1,000 to stay in a very small apartment for a week, you are not going to be trashy. He briefly described some of the people who have rented his units. He emphasized there has never been a problem, and to suggest otherwise would be false.

Vice Chair Lovell pointed out that the proposed ordinance has an impact on more properties than just those on Sunset Avenue and Cyprus Place. This type of use could occur elsewhere in the City. He asked how an owner of short-term residential rental property would handle issues such as mail, linens, garbage, etc. Mr. Wilkinson answered that he provides garbage cans at the back of his building and a shared laundry facility where people are required to wash their own linens. Vice Chair Lovell pointed out that other short-term rental property owners might not be as thorough as Mr. Wilkinson, and problems could come up. Mr. Wilkinson said he cannot comment on this issue because he has never had a problem. Since this has never been his experience, he suggested the Board focus on reality.

At the request of Board Member Reed, Mr. Wilkinson clarified that he has been operating his property with a business license for the past four years.

**Heidi Hardwick, Edmonds**, pointed out that neighbors are assuming there will be problems, and they are full of fear. Some people are nervous because they do not know what is right or wrong, and setting up clear rules would help alleviate this situation. She recalled that Edmonds has bumper stickers that say "It's an Edmonds kind of day." This phrase implies that the community is welcoming and kind. She said all sorts of assumptions are being made about the two houses in question. However, it is important to keep in mind that even the Mayor has had to deal with crimes involving family members or relatives and laws can be enforced when situations or problems arise. Owners of homes cannot control everything a person who is on their property will do. Ms. Hardwick suggested that the issue is really about people because people live in houses. It is about homeowners choosing to be kind and the ordinance needs to clear up the confusion. There must be rules and regulations in place to deal with problems. She pointed out there is no ordinance to prohibit someone from hosting an international student in their home for a few days or a week. She urged people to stop being so afraid that the worst is going to happen. Instead, they should keep an open mind.

**Linda Nelson, Edmonds**, said she is new to the Edmonds area and was very disheartened to learn of the problems and issues that are already coming to her attention. She said she believes she is a kind, compassionate and welcoming person. She has always wanted to live in Edmonds, but she didn't think it would change this much. She said she wants to know her neighbors and she wants stability. She doesn't want the home next to her to constantly change residents. This would ruin the stable neighborhood. She said she feels bad for Mr. Wilkinson and perhaps a special use permit could be used to address the situation. However, she agrees with her neighbors that a 30-day minimum would be something she could live with. She said she doesn't want to see a constant turnover of people she will never get to know. It is nice to know what is going on next door for police protection, etc. There are motels in commercial areas for this type of use to occur. It does not need to be allowed in RS zones.

**Jim Wassall, Edmonds**, disputed the numbers provided by Mr. Wilkinson to illustrate his potential financial impact. According to his calculations, if the properties were rented fully at the price of \$400 to \$800 per unit, the net rental revenue would be \$62,400 per year. He also challenged Mr. Wilkinson's suggestion that his property value would decrease by more than \$800,000 if he was not allowed to rent the property on a weekly basis. Mr. Wassall emphasized that Sunset Avenue property values are not based on structure, but on the property, itself. While the neighbors appreciate that Mr. Wilkinson has upgraded the building, the fact remains that the property has become a hotel and they don't want to allow hotel type uses on Sunset Avenue.

**Donna Salins, Edmonds**, acknowledged that a lot of personal feelings are involved. She emphasized her belief that the surrounding property owners would never have a better neighbor than Mr. Wilkinson. While she was experiencing difficulty in her personal life, he allowed her to stay in Edmonds and keep her roots, which was helpful. She urged the neighbors to get to know Mr. Wilkinson. Renting from him is not like staying in a hotel or motel. Mr. Wilkinson is a stable and responsible property owner and is on site everyday. The units are luxurious and better than a hotel or motel, and they allow renters to experience Edmonds. She said she cannot see how this endangers neighbors in any way.

Mr. Wilkinson clarified Mr. Wassall's comments by pointing out that the rent numbers he quoted represented what the previous owner charged for rent. However, he has since remodeled the units, and he charges approximately \$1,000 per unit per week. Also, he reminded the Board that the Court of Appeals determined that short-term rentals could not be considered businesses.

**William Browne, Edmonds**, said he moved to Edmonds because of the stable RS neighborhoods, and many other people have done the same. He said that when he moved into his home 35 years ago, he found it troubling that a triplex was allowed to remain in an RS zone. He said he is opposed to allowing short-term rentals on Sunset Avenue, Second Avenue and Third Avenue. He agreed that the issue is very personal to everyone involved, and that is why so many people attended the hearing. He noted that Mr. Marques is a close neighbor to him, and the prior owner of his home had a rental unit that was occupied by a young, divorced mother. The police log shows the police were called to the house on numerous occasions because of drug activity and noise. He does not want to encourage this type of activity in his residential neighborhood.

**The public portion of the hearing was closed.**

Board Member Works said she would like staff to provide a lot more information before she can make a recommendation to the City Council. She noted there was a significant amount of conflicting testimony, and she requested staff provide the following clarification:

- The Board was previously told that the recent San Juan Island court case was not applicable to this proposal. She would like the City Attorney to provide an analysis of this court case.
- She would like more information about where bed and breakfast establishments are allowed in the City.
- She would like staff to address the difference between the triplex on Sunset Avenue that is grandfathered and has been used as rental property for a long time and other RS property that is not grandfathered but is suddenly used for short-term rental.
- She would like staff to provide clarification regarding the business license requirements since one party was told they needed a business license. If short-term rentals are not considered to be businesses, why would a business license be required.

**APPROVED**

- It has been previously stated that there are other short-term rental opportunities in downtown Edmonds besides the property on Sunset Avenue and the Harbor Inn. She would like staff to research these properties and report to the Board about other short-term rental units.
- She would like more information about what Mr. Wilkinson was told when he approached the City earlier when he purchased his property.

Board Member Reed pointed out that the current residential zoning language does not allow triplex or duplex units in RS zones; not even as secondary uses. He asked staff to provide more information about where these uses are allowed to occur. Mr. Bowman answered that triplexes and duplexes are not allowed in RS zones. The triplex on Sunset Avenue predates the City's zoning ordinance, so it has been grandfathered. Therefore, it is a non-conforming use in its current location. Board Member Reed asked if establishing a 7-day or 30-day limit, with an amortization period, would require the triplex owner to convert the property to a single-family residence. Mr. Bowman answered that Mr. Wilkinson would be allowed to keep the triplex, but he would have to comply with the 7 or 30-day limitation.

Vice Chair Lovell said that while he doesn't know how many of these types of situations there are in Edmonds, it is important to understand the difference between Mr. Wilkinson's situation and the situation on Cyrus Place. Mr. Bowman agreed the two situations are entirely different. He cautioned the Board that they should step back from the emotional side of the issue and consider the practical aspects of what the City expects in RS zones.

Board Member Works pointed out that the title of the ordinance states that it is related to the rental of single-family dwellings. She suggested the language should be changed to relate to rentals in single-family zones.

Mr. Bowman recommended the Board continue their deliberations on this item until the March 11<sup>th</sup> meeting. This would allow staff time to research the issues and talk with the City Attorney about the testimony that was given. They could present their findings and additional information to the Planning Board for further deliberation prior to forwarding a recommendation and findings to the City Council.

**BOARD MEMBER REED MOVED THE BOARD CONTINUE DELIBERATIONS ON PROPOSED REGULATIONS DEALING WITH SHORT-TERM RENTALS IN SINGLE-FAMILY ZONES TO THEIR MARCH 11, 2009 MEETING. VICE CHAIR LOVELL SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.**

Board Member Reed thanked the citizens for attending the public hearing and providing testimony. He said it is helpful for the Board to receive this input as they formulate their findings and a recommendation to the City Council.

**UNFINISHED BUSINESS**

Board Member Reed recalled that the Parks, Recreation and Cultural Services Director had agreed to forward a word version of the parking naming policy to each of the Board Members, but they did not receive the document. Mr. Chave agreed to contact Mr. McIntosh and request he send the information as soon as possible.

Vice Chair Lovell inquired regarding the status of Tony Shapiro's proposal for the Firdale Village area. Mr. Chave advised that Mr. Shapiro would present his updated proposal to the Commission on March 11<sup>th</sup>.

**REVIEW OF EXTENDED AGENDA**

Chair Bowman indicated that he and Vice Chair Lovell would meet with staff to update the extended agenda. Mr. Chave reviewed that the next meeting would be a Parks Board Meeting, and no hearings have been scheduled.

Mr. Chave reported that the Mayor is in the process of interviewing candidates for the vacant Planning Board positions.

**APPROVED**

**PLANNING BOARD CHAIR COMMENTS**

Chair Bowman said he was surprised by the palpable energy in the public testimony. He said he has never seen so much antagonism between groups of people. He said it was difficult to keep in mind that this is a city-wide issue when the testimony was so personal.

**PLANNING BOARD MEMBER COMMENTS**

None of the Board Members provided comments during this portion of the meeting.

**ADJOURNMENT**

The Board meeting was adjourned at 9:05 p.m.

**APPROVED**