

CITY OF CRAIG PLANNING COMMISSION AGENDA

Meeting of May 23, 2024
7:00 p.m., Craig City Council Chambers

Roll Call

Sharilyn Zellhuber (Chair), John Moots, Kevin McDonald, Barbara Stanley, Jeremy Crews

Approval of Minutes

Public Comment

Public Hearing and New Business

1. Interpretation and Discussion/Direction from Planning Commission Regarding Brenda Demmert Request to Allow B&Bs to be Operated in Accessory Structures

Old Business

Adjourn

The meeting will be available by teleconference for both the public and planning commissioners. To call into the planning commission meeting call 858-939-0244. Commissioners can participate and vote by phone if they wish.

CITY OF CRAIG MEMORANDUM

To: Craig Planning Commission
From: Brian Templin, City Administrator
Date: May 20, 2024
RE: B&B in Accessory Structure – Interpretation and Discussion

The city has received a request from Larry and Brenda Demmert to change Title 18 to allow for a property owner to live in one structure on a lot and use another (accessory) structure as a B&B. A copy of the letter is attached.

The Demmerts own lot 2A-1-B at 1411 Hamilton Drive. This lot was replatted in 2007 to increase the lot size to allow a second dwelling structure on the lot. The total lot size is 25,541 square feet, but much of the lot is unfilled tideland. In 2022 the Craig Planning Commission approved resolution 607-22 authorizing a B&B on the property.

The Craig Municipal Code defines a Bed and Breakfast as:

“Bed and breakfast” means an accessory to a principal residential use meeting all of the following conditions: 1. An owner-occupied residential structure; 2. Three or fewer rental rooms; 3. Maximum length stay of 30 days; 4. The residential character of the neighborhood is retained.

Requirement number one for B&B’s is that the accessory use take place in “an owner-occupied residential *structure*.” (*emphasis mine*)

The Demmerts have asked to the city to consider a change to the code to allow them to operate the B&B in one residential structure while living in a separate residential structure.

The only short term relief for the question is to consider a variance request from the Demmerts to the first requirement. There is some question as to whether this constitutes a change of use – allowing a B&B in a non-residential structure (if the structure does not have a principal residential use it would not meet the B&B requirement). The commission should discuss whether or not the B&B in a separate structure is already an allowed use and the variance would be for the owner-occupation of the structure, or if the use is not allowed in the accessory structure without the owner-occupation.

This is a technical decision, but is critical to whether or not a variance is allowed. CMC 18.06.003 A states that *“The purpose of a variance is to permit justifiable exceptions to the requirements of this code when their strict application of the code would result in unnecessary hardship or practical difficulties. No variance shall be granted which authorizes a use or activity not permitted by the land use zone regulations governing the parcel of property.”* If the commission interprets the requirement for owner-occupation of the structure as the key to the allowed use, then a variance may not be granted in this case.

The Demmert's letter does not ask for a variance. The request by the Demmerts is to consider a change to the ordinance that would create an allowed use for B&B in structures that are not owner-occupied.

This may be a broad change, for example, removing the owner-occupied requirement entirely would allow for B&Bs on property that the owner does not live on. This would be similar to the "residential lodge" use that was deleted from the municipal code about 20 years ago due to problems with "unsupervised" B&Bs. Staff does not recommend this change.

The commission may also consider some other change to the code that would allow the B&B use under the conditions that the Demmerts describe. For example, the definition could be changed to something like:

*"Bed and breakfast" means an accessory to a principal residential use meeting all of the following conditions: 1. **The owner of the property, including the structure to be used for the Bed and Breakfast must maintain their principal residence on the property;** 2. Three or fewer rental rooms; 3. Maximum length stay of 30 days; 4. The residential character of the neighborhood is retained.*

The commission should discuss both the interpretation of whether or not a variance might apply in this case and whether or not the commission wants to pursue a change to the municipal code.

The commission should keep in mind that expanding the definition of allowed B&B uses in residential areas will have an increased effect on housing availability in Craig.

If the commission is interested in changing the municipal code, it should provide direction to staff on the language that it would like to see. Per Title 18 of the CMC the change will be advertised for 30 days and then considered by the planning commission. The planning commission will then make a recommendation on the change. If the recommendation is to adopt the change, it will be presented to the City Council in an ordinance for consideration.

Samantha Planner

From: (null) larrynbrenda <larrynbrenda@frontier.com>
Sent: Thursday, March 14, 2024 4:47 PM
To: Samantha Planner
Subject: Title 18 bnb

Follow Up Flag: Follow up
Flag Status: Flagged

Request to make changes to title 18. Air BnB

I would like to request some changes to the BnB rules as follows.

I think if you have property such as a duplex or house with a shop or second dwelling on the property that is not attached to the house, but still on the same shared lot, that you can BnB that space without living with the guest as long as you are staying on site. You would still be available in case anything arises and monitor if there is trouble. This would allow certain properties to have potential for additional income without taking away more real estate from the community.

For myself, personally, this has dramatically changed my bookings from whole house to shared space. Not for the better. Also, as my husband is often gone out fishing for a few nights a week, I personally don't feel comfortable sharing a space with strangers. All of this has led to me booking less and blocking off much of the summer to not rent the house. That is a loss of income for both the City and us. I don't think I need to explain the state of fishing right now and any extra income is sorely needed.

I don't see this as a big change. Not all houses in Craig have the luxury of having a second living area, those that do basically are already set up. I feel the impact would be minimal but benefit both the home owners that do participate as well as the City.

The City needs more housing for the summertime guest that come to POW and allowing this to happen may generate more income in taxes rather than people just doing it without following the rules.

Here are some final thoughts.

Limit on Number of Properties: Implement regulations to limit the number of properties Craig can list on Airbnb. This prevents investors from buying multiple properties solely for short-term rental purposes, thus preserving residential housing stock for long-term residents.

Community Engagement: Airbnb hosts often act as ambassadors for their town, providing guests with insider tips on the best places to visit, eat, and explore. This can foster a sense of community pride and engagement among residents

Infrastructure Improvement: Increased tourism revenue from Airbnb rentals can provide funding for local infrastructure projects, such as road repairs, street lights, park maintenance, and public facilities, benefiting both residents and visitors alike.

Thank you for your consideration.

Larry & Brenda Demmert

Sent from my iPhone