

## CITY COUNCIL AGENDA MEMORANDUM

### **SUBJECT**

Public hearing and consideration of Ordinance No. 6152 extending interim zoning controls, adopted by Ordinance No. 6128, regarding individual room rentals in residential dwellings.

### **FISCAL IMPACT**

There is no impact associated with holding the public hearing. The primary fiscal impact of extending the interim zoning controls relates to enforcement of the interim regulations. These regulations are being enforced on a complaint basis, and the code compliance staff has been actively responding to those complaints as well as in assisting with background work necessary for the development of permanent regulations. Code compliance is a General Fund function, and the capacity of existing staff will continue to be monitored as this effort progresses to evaluate the potential need for increased staffing levels.

### **STAFF CONTACTS**

Mike Brennan, Department Director, 452-4113  
Carol Helland, Land Use Director, 452-2724  
Mike Bergstrom, Principal Planner, 452-2970  
*Development Services Department*

### **POLICY CONSIDERATION**

Should the City Council extend the interim zoning controls adopted by Ordinance No. 6128 for an additional six months to allow sufficient time for the development of permanent regulations? To do so requires a public hearing and a supermajority vote of the Council.

### **BACKGROUND**

Ordinance No. 6128 was adopted as an emergency measure in response to several complaints that had been received regarding an emerging business practice where investors are renting out individual rooms in residential dwellings. While many of the concerns have originated in or near the Spiritwood neighborhood, similar concerns have been raised in other areas of the city as well.

Ordinance No. 6128 accomplished several things:

- It lowered the number of unrelated individuals who can live together as a family from 6 persons to 4.
- It clarified what constitutes "related persons".
- It allows more than 4 unrelated individuals to live together if they operate in a manner that is functionally equivalent to a family.
- It clarifies the definition of "boarding/rooming houses and bed and breakfasts".
- It provides for amortization of certain uses that do not conform to the amended provisions of the land use code (i.e., rental arrangements that were legal prior to Ordinance No. 6128 but, due to the reduction of unrelated persons living together from 6 to 4, now exceed the 4-person limit).

Adoption of Ordinance No. 6128 was followed by public hearings before the City Council and East Bellevue Community Council in November 2013 at which time both Councils affirmed that the interim controls should remain in effect until March 23, 2014. That date is six months from the original date of adoption and is the maximum period allowed by State law unless additional hearings are held. The purpose of the March 3, 2014 City Council hearing (as well as a scheduled March 4, 2014 EBCC hearing) is to determine whether the interim controls should be extended for an additional six month period and, if extended, whether those controls should be modified in any way. The interim controls can be extended to a date no later than September 23, 2014. Any additional extensions would require additional public hearings. At the time of original adoption, Council was aware that this extension would likely be necessary due to workload on other fronts.

**Measures taken to date:**

Since the adoption of Ordinance No. 6128, staff have been working on several fronts to address this issue, including:

Educational outreach: A public information handout was created immediately after ordinance adoption that described the interim regulations. This information was distributed to Bellevue College student representatives, real estate/leasing agent trade organizations, and to the Rental Housing Association. Staff are monitoring Craigslist advertising for room rentals and are sending out the public information handout with a cover letter letting people know about the interim regulations and the potential consequences for failing to comply. Recently, an article was published in *It's Your City* for a broader distribution of this information.

Ordinance enforcement: Development Services Department staff have been developing enforcement procedures for these complaints consistent with the City's Civil Violation Code. Complaints received to date are being investigated. Much of this process is not visible to the complainant or the public, as it involves research of property records, site visits at regular intervals to collect case data (such as automobile license plate information, presence of other code violations, photographic documentation), and development of the record essential for successful code enforcement. Compliance letters are sent to all persons with potential responsibility for any violation, at which point noticeable changes will begin to be seen on a property subject to the enforcement action. Information gained throughout this process will be helpful and informative to the development of permanent regulations.

Preliminary work on code amendments: In addition to gathering information from enforcement of the interim regulations, staff is talking with other communities that have dealt with similar issues in order to learn from their experiences, develop options, and weigh implications of different approaches including effectiveness, enforceability, and staffing needs. This information will be helpful once we engage the Planning Commission and the community on the development of permanent regulations.

Other related tasks underway: As part of the Comprehensive Plan Update, currently underway, there will be consideration of many issues that influence housing affordability that can drive demand for single-room rentals. In addition, conditions are now being added to single-family home construction and remodel permits that require the home to be occupied consistent with the interim definition of "family". Where staff have reason to believe that a home is intended for occupancy by more than four unrelated individuals, we ask that the applicant sign an agreement that the home is intended to be used consistent with the interim ordinance. This will streamline future enforcement if a home is used in a manner that is inconsistent with the regulations. Finally, non-regulatory approaches are being explored, involving the mediation, planning,

neighborhood outreach, and police functions of the City. This acknowledges the fact that permanent regulations are unlikely to resolve every aspect of the rental housing issue.

**Upcoming steps:**

At your March 3 meeting, Council will be asked to consider extending the interim regulations for an additional six months, to September 23, 2014. This will be followed by a hearing on March 4 with the East Bellevue Community Council for the same purpose, in order to keep the regulations in effect in the EBCC jurisdiction for the same period of time.

On March 12, staff will introduce this issue to the Planning Commission at a study session, to begin the engagement on permanent regulations. That meeting will be followed by a meeting tentatively scheduled for April 23, at which time the Commission will host a panel on this topic. We anticipate that the panel will include neighborhood representatives, industry representatives, Bellevue College representatives, and possibly others having a stake in this issue.

Over the summer, permanent regulations will be developed for consideration by the Commission. That process will include a public hearing on any proposed regulations. The aim is to have permanent regulations in place in time to avoid the need for further extension of the interim controls as well as to limit uncertainty and give college students and other renters time to arrange housing prior to the start of the 2014-15 academic year.

**OPTIONS**

1. Hold public hearing and adopt Ordinance No. 6152 extending interim zoning controls regarding individual room rentals in residential dwellings to September 23, 2014.
2. Hold public hearing, do not adopt Ordinance No. 6152 and provide alternative direction to staff.

**RECOMMENDATION**

Hold public hearing and adopt Ordinance No. 6152 extending interim zoning controls regarding individual room rentals in residential dwellings to September 23, 2014.

**MOTION**

Move to open the public hearing.

Move to close the public hearing.

Move to adopt Ordinance No. 6152 extending interim zoning controls regarding individual room rentals in residential dwellings to September 23, 2014.

**EFFECTIVE DATE**

If approved, Ordinance No. 6152 becomes effective on March 23, 2014.

**ATTACHMENTS**

1. Ordinance No. 6128
2. Proposed Ordinance No. 6152

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 6128

AN ORDINANCE of the City of Bellevue, Washington, adopting interim official zoning controls to address impacts resulting from the rental of multiple rooms in single-family dwellings to unrelated individuals, by amending the definitions of "boarding house" and "family" and creating a new definition of "rooming house", for a period of six months, to be in effect while the City drafts, considers, holds hearings, and adopts permanent regulations, to be effective immediately upon adoption, scheduling a hearing on the maintenance of the interim zoning ordinance, providing for severability, and declaring an emergency.

WHEREAS, the Bellevue Comprehensive Plan seeks to maintain and strengthen the vitality, quality, and character of Bellevue's residential neighborhoods while providing housing choices and affordability; and

WHEREAS, the City of Bellevue has begun an update of its Comprehensive Plan as mandated by the Growth Management Act, and that update will include a broader evaluation of the community's housing policies, needs, and related issues; and

WHEREAS, the Bellevue City Council has recently heard numerous concerns from citizens about the rental of multiple rooms in single-family dwellings to unrelated individuals and under separate lease agreements, and the impacts of such rentals; and

WHEREAS, the concerns and impacts identified by citizens include the erosion of single-family neighborhood character, from a stable neighborhood character to one that is more transitory, increased density, declining property maintenance, and increased on-street parking, traffic, noise and instances of speeding, among others; and

WHEREAS, the Bellevue Land Use Code currently defines "family" as one or more persons (but not more than six unrelated persons) living together as a single housekeeping unit, but does not define "single housekeeping unit"; and

WHEREAS, the American Community Survey for 2007-2011 shows that the average single-family household size in Bellevue is 2.75 persons; and

WHEREAS, the Bellevue City Council has determined that this rental practice and its real and potential impacts threaten the vitality, quality, stability, and single-

family character of Bellevue's residential neighborhoods, and that emergency action is warranted to diminish this threat; and

WHEREAS, the adoption of the interim controls contained herein will address the immediate impacts resulting from the above-described rental practice, will protect the stability and character of Bellevue's single-family neighborhoods, and will provide an opportunity for the City to more fully research and develop appropriate long-term strategies; and

WHEREAS, the Bellevue City Council has determined that the termination of existing uses that do not conform to the interim controls by July 1, 2014, will fairly and reasonably balance the interests of property owners and users with the benefit to the public; and

WHEREAS, pursuant to WAC 197-11-880, actions that must be undertaken immediately or within a time too short to allow full compliance with the State Environmental Policy Act (SEPA), to avoid an imminent threat to public health or safety, to prevent an imminent danger to public or private property, or to prevent an imminent threat of serious environmental degradation, shall be exempt from the provisions of that Act (see also BCC 22.02.050); and

WHEREAS, pursuant to RCW 36.70A.390 a public hearing must be held within 60 days of the passage of this ordinance; and

WHEREAS, the potential adverse impacts upon the public safety, welfare, and peace, as outlined herein, justify the declaration of an emergency; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
ORDAIN AS FOLLOWS:

Section 1. Section 20.20.140 of the Bellevue Land Use Code is hereby amended to revise the general development requirements applicable to "Boarding Houses and bed and breakfasts," to read as follows:

**20.20.140 Boarding/rooming houses and bed and breakfasts.**

Boarding/rooming houses and bed and breakfasts require a Home Occupation Permit, Part 20.30N LUC, approval. In addition, not more than two rooms may be rented to not more than two persons other than those occupying a single-family dwelling, provided there is compliance with health and building code requirements. The owner of the rooms to be rented shall provide off-street parking for such rooms at the rate of at least one parking stall for each room.

Section 2. Section 20.20.700 of the Bellevue Land Use Code is hereby deleted.

Section 3. Section 20.50.012 of the Bellevue Land Use Code is hereby amended to revise the definition of "Boarding House," to read as follows:

**20.50.012 B definitions.**

**Boarding/Rooming House.** A dwelling in which ~~roomers and/or boarders~~ individuals unrelated to the owner are housed and/or fed for profit for any time period, including stays of 30 days or more. This definition includes, but is not limited to, Transient Lodging as defined in LUC 20.50.048. (Refer to see-LUC 20.20.140 for General Development Requirements applicable to Boarding/Rooming House uses).

Section 4. Section 20.50.020 of the Bellevue Land Use Code is hereby amended to revise the definition of "Family," to read as follows:

**20.50.020 F definitions.**

**Family.** One or more adult persons related by blood, marriage, or legal adoption (but not more than six unrelated persons); or a group of not more than four unrelated adult persons living together as a single housekeeping unit in a dwelling unit. A group of more than four unrelated adult persons living together in a dwelling unit may also be included within the definition of "Family" if they demonstrate to the Director that they operate in a manner that is functionally equivalent to a Family. Factors that shall be considered by the Director include whether the group of more than four unrelated persons;

- a. Shares the entire dwelling unit or act as separate roomers;
- b. Includes minor, dependent children regularly residing in the household;
- c. Can produce proof of sharing expenses for food, rent, or ownership costs, utilities, and other household expenses;
- d. Shares common ownership of furniture and appliances among the members of the household;
- e. Constitutes a permanent living arrangement, and is not a framework for transient living;
- f. Maintains a stable composition that does not change from year to year or within the year;
- g. Is not a society, fraternity, sorority, lodge, organization or other group of students or other individuals where the common living arrangement or basis for the establishment of the housekeeping unit is temporary; or
- h. Can demonstrate any other factors reasonably related to whether or not the group of persons is the functional equivalent of a family.

For purposes of this definition and notwithstanding any other provision of this Code, children with familial status within the meaning of Title 42 United States Code, Section 3602(k) and persons with handicaps within the meaning of Title 42 United States Code, Section 3602(h) will not be counted as unrelated persons.

**Section 5. Amortization for Certain Nonconforming Uses.** Notwithstanding Section 20.20.560 of the Bellevue Land Use Code, any use of a structure or of land which does not conform to the regulations of the district in which the use exists due to changes in the definition of "Boarding/Rooming House" in Section 20.50.012 and/or "Family" in Section 20.50.020, adopted on September 23, 2013, which use lawfully existed on the date such changes became effective, shall be discontinued by July 1, 2014.

**Section 6. Duration and Scope of Interim Regulations.** The interim regulations imposed by this ordinance shall become effective on the date herein, and shall continue in effect for an initial period of sixty (60) days, unless repealed, extended, or modified by the City Council after subsequent public hearings and the entry of additional findings of fact pursuant to RCW 35A.63.220.

**Section 7. Public Hearing.** Pursuant to RCW 35A.63.220 and RCW 36.70A.390, the City Council shall hold a public hearing on this ordinance within sixty (60) days of its adoption, or no later than November 22, 2013, so as to hear and consider public comment and testimony regarding this ordinance. Following such hearing, the City Council may adopt additional findings of fact, and may extend the interim regulations for a period of up to six (6) months. If a period of more than six months is required to complete consideration of any changes to city codes, the Council may adopt additional extensions after any required public hearing, pursuant to RCW 35A.63.220 and RCW 36.70A.390.

**Section 8. Permanent Regulations.** The City Council hereby directs the staff to develop for its review and adoption permanent regulations to adopt the interim regulations adopted herein, and to transmit this ordinance to the Washington State Department of Commerce as required by law.

**Section 9. Severability.** If any section, subsection, paragraph, sentence, clause, or phrase of this ordinance is declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining parts of this ordinance.

**Section 10. Public Emergency.** The City Council hereby finds and declares that a public emergency exists and that this ordinance is a public emergency ordinance necessary for the protection of the public health and safety and should, therefore, take effect upon adoption. The facts upon which this public emergency is based include all recitals set out in this ordinance as well as those facts contained in the legislative record.

**Section 11. Effective Date.** In accordance with RCW 35A.13.190, this ordinance, as a public emergency ordinance, shall take effect and be in force immediately upon adoption by a majority plus one of the City Council.

1352-ORD  
09/19/13

**ORIGINAL**

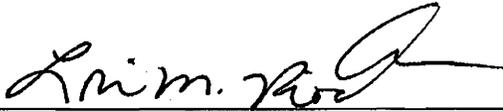
PASSED by the City Council this 23rd day of September,  
2013, and signed in authentication of its passage this 23rd day of  
September, 2013.

(SEAL)



Conrad Lee, Mayor

Approved as to form:



Lori M. Riordan, City Attorney

Attest:



Myrna L. Basich, City Clerk

Published September 26, 2013,

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 6152

AN ORDINANCE of the City of Bellevue, Washington, extending Ordinance No. 6128 adopting an interim official zoning ordinance to address impacts resulting from the rental of multiple rooms in residential dwellings to unrelated individuals, by amending the definitions of “boarding house” and “family” and creating a new definition of “rooming house”, for an additional period of six months, to be in effect while the City drafts, considers, holds hearings, and adopts permanent regulations; providing for severability; and establishing an effective date.

WHEREAS, the Bellevue Comprehensive Plan seeks to maintain and strengthen the vitality, quality, and character of Bellevue’s residential neighborhoods while providing housing choices and affordability; and

WHEREAS, the City of Bellevue has begun an update of its Comprehensive Plan as mandated by the Growth Management Act, and that update will include a broader evaluation of the community’s housing policies, needs, and related issues; and

WHEREAS, the Bellevue City Council continues to receive concerns from citizens about the rental of multiple rooms in residential dwellings to unrelated individuals and under separate lease agreements, and the impacts of such rentals; and

WHEREAS, the Bellevue City Council has determined that this rental practice and its real and potential impacts threaten the vitality, quality, stability, and single-family character of Bellevue’s residential neighborhoods, and that emergency action is warranted to diminish this threat; and

WHEREAS, the concerns and impacts identified by citizens include the erosion of single-family neighborhood character, from a stable neighborhood character to one that is more transitory, increased density, declining property maintenance, and increased on-street parking, traffic, noise, and instances of speeding, among others; and

WHEREAS, on September 23, 2013 , the Bellevue City Council adopted Ordinance No. 6128 imposing emergency interim official zoning controls to address impacts resulting from the rental of multiple rooms in residential dwellings to unrelated individuals, by amending the definitions of “boarding house” and “family” and creating a new definition of “rooming house;” and

WHEREAS, under the Growth Management Act (GMA), the City was required to hold a public hearing within 60 days of adopting Ordinance No. 6128, which public hearing was held on November 4, 2013, to consider the interim zoning ordinance regulating the rental of multiple rooms in residential dwellings to unrelated individuals; and

WHEREAS, following the November 4, 2013 public hearing the Bellevue City Council affirmed that Ordinance No. 6128 should remain in effect for an initial six month period; and

WHEREAS, Ordinance No. 6128 will, by its terms, expire on March 23, 2014; and

WHEREAS, extending Ordinance No. 6128 for an additional six month period will continue to address the immediate impacts resulting from the above-described rental practice, will protect the stability and character of Bellevue's single-family neighborhoods, and will provide an opportunity for the City to more fully research and develop appropriate long-term strategies; and

WHEREAS, the City has a compelling interest in the protection of the health and safety of all of its residents, as well as a compelling interest in ensuring that the goals and policies contained within the Comprehensive Plan and other policy/planning documents are fulfilled; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize cities to extend interim zoning ordinances for additional periods of up to six months following a public hearing and adoption of findings of fact; and

WHEREAS, on March 3, 2014 the City Council held a public hearing to consider extending Ordinance No. 6128 for an additional 6 month period; and

WHEREAS, the City Council finds that extending the interim zoning controls adopted by Ordinance No. 6128 is necessary to allow sufficient time for the proper consideration and development of permanent regulations that will effectively and fairly address the concerns raised by citizens in a manner that balances the interests of property owners and users with those of the general public; and

WHEREAS, pursuant to BCC 22.02.050 and WAC 197-11-880, the adoption of this ordinance is exempt from environmental review under the State Environmental Policy Act; now, therefore,

**THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:**

Section 1. Extension of Interim Zoning Ordinance. Ordinance No. 6128 is hereby extended for an additional six month period, to September 23, 2014, unless repealed, extended, or modified by the City Council after subsequent public hearing

and the entry of additional findings of fact pursuant to RCW 35A.63.220 and RCW 36.70A.390.

Section 2. Severability. Should any provision of this ordinance or its application to any person or circumstance be held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 3. Findings of Fact. The findings contained in this ordinance are hereby adopted as findings of facts to justify extending Ordinance No. 6128 imposing the interim zoning ordinance.

Section 4. Effective Date. This ordinance shall take effect and be in force on March 23, 2014.

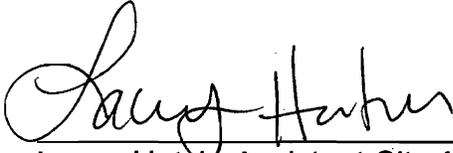
Passed by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2014  
and signed in authentication of its passage this \_\_\_\_ day of \_\_\_\_\_,  
2014.

(SEAL)

\_\_\_\_\_  
Claudia Balducci, Mayor

Approved as to form:

Lori M. Riordan, City Attorney



\_\_\_\_\_  
Lacey Hatch, Assistant City Attorney

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

Published \_\_\_\_\_