

**CITY OF CRAIG
PLANNING COMMISSION**

Staff Report
February 21, 2024

Applicant: Joel & Leanne Steenstra

Requested Action: Conditional Use Permit – B&B in a medium-density residential zone

Location: Lot 3A, Tract C, USS 2327 (604 Hamilton Drive)

Lot Size: 8,021 SF

Zoning: Medium-Density Residential

Surrounding Uses: North: Medium-Density Residential
West: Marine Industrial
South: Medium-Density Residential
East: Medium-Density Residential

Analysis

Joel and Leanne Steenstra have applied to the City of Craig Planning Commission for a Conditional Use Permit (CUP) to operate a Bed and Breakfast (B&B) in a high-density residential zone, located at 604 Hamilton Drive (Lot 3A, Tract C, USS 2327). The applicant is seeking to operate the building as a short-term rental seven days a week during June, July, and August.

The home in question is not the primary residence of the owner. The primary residence is located at 509 Thomas Court. Joel has expressed intent to occupy the third bedroom during guest stays to meet the owner-occupancy requirements. To operate a B&B on residentially-zoned property, the building must be owner-occupied with the owner present at least 75% of the time guests are present. Joel and Leanne intend to use the property to house their charter clients. The proposed B&B use appears to be the primary use rather than an accessory use, conflicting with the stated definition of a B&B in the Craig Municipal Code.

The home has a total of three bedrooms and there are two parking spaces available, meeting the minimum requirement of 1 parking space for each 1.5 bedrooms.

Per 18.06.002 of the LDC, the following criteria shall be met before a conditional use permit may be issued:

1. That the proposal is consistent with the Craig Comprehensive Plan, the Craig Municipal Code, and other applicable ordinances.
2. That the proposed use is conditionally permitted in the zone.

3. That the proposed use is compatible with other existing or proposed uses in the area affected by the proposal.
4. That the proposed use would not create noise, odor, smoke, dust, or other objectionable pollutants creating impacts on surrounding areas.
5. That the proposed use would not affect the health and safety of persons or property.
6. That the location, size, design and operating characteristics will mitigate conflicting uses.
7. That unsightliness, building height, or structural incompatibility would not significantly affect surrounding areas or the designated viewshed.
8. That the proposal would not have a significant detrimental effect on property values in the area.
9. That all utilities required by the proposed use are adequate or will be made adequate by the applicant at no additional expense to the city and will not interfere with utility capacity to serve other areas of the city.
10. That access is adequate to serve the additional volume and type of traffic generated and would not threaten health and safety by significantly altering traffic volumes and patterns.
11. That adequate off-street parking is provided. (See Chapter 18.14, Parking.)
12. That the proposed use would not degrade land, air, water, or habitat quality.
13. That the proposed use will not interfere with the efficiency of, the planned expansion of, or access to water dependent or water related uses unless: 1) there is a documented public need for the proposed use, 2) no alternative site, and 3) the public good will be served better by the proposed use than by the water dependent or water related use.
14. That other relevant objections made evident at the public hearing are addressed.
15. That the proposed use and development do not disturb trees or shrubs which are designated for habitat or resource protection; wind, noise, sediment, or pollution buffers; recreation or open space; protection from natural hazards, watershed protection, or visual considerations unless a plan is approved which will mitigate potential adverse impacts.

Criteria 2-13 and 15 of this section appear to be met on the face of the application. The commission should discuss Criteria 1 and 14 at the public hearing on February 29, 2024.

Craig Municipal Code (18.00 Definition):

“Bed and breakfast” means an accessory to a principal residential use meeting all of the following conditions:

1. An owner-occupied structure.
2. Three or fewer rental rooms.
3. Maximum length of stay of thirty (30) days.
4. The residential character of the neighborhood is retained.

Conditions 2-4 appear to be met on the face of the application. Condition 1 may require more discussion. The proposed use does not appear to be an “accessory to a principal residential use” as defined in the Craig Municipal Code.

Recommendation

That the planning commission discuss the required criteria for approval at the February 29, 2024 meeting and consider adoption of Resolution 624-24-PC granting a CUP to Joel and Leanne Steenstra to operate a Bed and Breakfast in a medium-density residential Zone, located at 604 Hamilton Drive (Lot 3A, Tract C, USS 2327), subject to the following conditions:

1. that the conditional use permit is not transferable to another individual or location;
2. **that the conditional use is accessory to a principal owner residential use**. The owner occupying the residence during conduct of the Bed and Breakfast must be a legally recorded owner of the property. The owner occupant must be an owner of record or purchaser of record according to the system of land title recording established pursuant to AS 44.37. The city shall retain the right to ensure that a legal owner is present for at least 75% of the days that guests are in residence;
3. that all parking for personal use and customer use will be off-street;
4. that the bed and breakfast will be limited to two rooms;
5. that all sales tax due on the operations covered by this permit must be paid within 30 days of the end of the quarter that the sales were made;
6. that this conditional use permit is voidable by the City of Craig, at its sole discretion, if the applicant is unable to meet the above conditions; and
7. the conditional use permit may be reviewed by the Planning Commission 12 months after approval to ensure compliance with these provisions.

CITY OF CRAIG
PLANNING COMMISSION
RESOLUTION 624-24-PC

GRANTING A CONDITIONAL USE PERMIT TO JOEL & LEANNE STEENSTRA TO OPERATE A BED AND BREAKFAST AT 604 HAMILTON DRIVE, LOT 3A, Tract C, USS 2327.

WHEREAS, the Planning Commission held a public hearing on February 29, 2024; and,

WHEREAS, public notice was given in accordance with Section 18.06.002 of the Craig Land Development Code; and,

WHEREAS, the Planning Commission finds that the specific criteria of Section 18.06.002 of the Craig Land Development Code are met as follows, subject to the conditions listed below:

1. That the proposal is consistent with the Craig Comprehensive Plan, the Craig Municipal Code, and other applicable ordinances.
2. That the proposed use is conditionally permitted in the zone.
3. That the proposed use is compatible with other existing or proposed uses in the area affected by the proposal.
4. That the proposed use would not create noise, odor, smoke, dust, or other objectionable pollutants creating impacts on surrounding areas.
5. That the proposed use would not affect the health and safety of persons or property.
6. That the location, size, design and operating characteristics will mitigate conflicting uses.
7. That unsightliness, building height, or structural incompatibility would not significantly affect surrounding areas or the designated viewshed.
8. That the proposal would not have a significant detrimental effect on property values in the area.
9. That all utilities required by the proposed use are adequate or will be made adequate by the applicant at no additional expense to the city and will not interfere with utility capacity to serve other areas of the city.
10. That access is adequate to serve the additional volume and type of traffic generated and would not threaten health and safety by significantly altering traffic volumes and patterns.
11. That adequate off-street parking is provided.
12. That the proposed use would not degrade land, air, water, or habitat quality.
13. That the proposed use will not interfere with the efficiency of, the planned expansion of, or access to water dependent or water related uses unless: 1) there is a documented public need for the proposed use, 2) no alternative site, and 3) the public good will be served better by the proposed use than by the water dependent or water related use.

14. That other relevant objections made evident at the public hearing are addressed.
15. That the proposed use and development do not disturb trees or shrubs which are designated for habitat or resource protection; wind, noise, sediment, or pollution buffers; recreation or open space; protection from natural hazards, watershed protection, or visual considerations unless a plan is approved which will mitigate potential adverse impacts.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission grants Joel & Leanne Steenstra a conditional use permit to operate a bed and breakfast in a medium-density residential zone, located at 604 Hamilton Drive (Lot 3A, Tract C, USS 2327), subject to the following conditions:

1. that the conditional use permit is not transferable to another individual or location;
2. that the conditional use is accessory to a principal owner residential use. The owner occupying the residence during conduct of the Bed and Breakfast must be a legally recorded owner of the property. The owner occupant must be an owner of record or purchaser of record according to the system of land title recording established pursuant to AS 44.37. The city shall retain the right to ensure that a legal owner is present for at least 75% of the days that guests are in residence;
3. that all parking for personal use and customer use will be off-street;
4. that the bed and breakfast will be limited to three rooms;
5. that all sales tax due on the operations covered by this permit must be paid within 30 days of the end of the quarter that the sales were made;
6. that this conditional use permit is voidable by the City of Craig, at its sole discretion, if the applicant is unable to meet the above conditions; and
7. the condition use permit will be reviewed by the Planning Commission 12 months after approval to ensure compliance with these provisions.

Approved this 29th day of February, 2024

Chairman Sharilyn Zellhuber

Samantha Wilson, City Planner