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Tiny Home, Park Model RV, Trailer, Recreational Vehicle What is it?

If you have been watching HGTV recently, you have been exposed to the latest craze of the Tiny Homes.

As an agent I have received numerous inquiries about how San Juan County will regulate this new industry. I have processed some research which I have shared below:

WILL IT BE POSSIBLE TO BUY 5 ACRES AND INSTALL 20 TINY HOMES AND RENT THEM OUT AS NIGHTLY OR MONTHLY RENTALS? THE SIMPLE ANSWER IS “NO”.

If you purchase a Tiny Home mounted on or as part of a trailer and the wheels, tongue and vehicle license remains intact, at the present time, this is considered a Recreational Vehicle (RV). The San Juan County code defines an RV under 18.20:

“Recreational vehicle (RV)” means a vehicle designed primarily for recreational camping or travel use that has its own motive power or is mounted on or towed by another vehicle, including travel trailers, fifth-wheel trailers, folding camping trailers, truck campers, and motor homes (RCW [43.22.335](#)).

“Recreational vehicle park” means a commercially developed tract of land on which two or more recreational vehicle sites are established as the principal use of the land.

Back to the simple answer of “no”. You can park your Tiny Home on your property as it is considered an RV but you may only have one parked as two or more are considered a Recreation Vehicle Park which requires permits and applicable zoning.

The County doesn’t have any occupancy regulations attached to their RV definition so it is silent as to whether the RV on site can be used just for recreational camping, or

nightly or long term occupancy. However, many plats have Covenants, Conditions and Restrictions that indicate the RV or Trailer may only be on site during the course of construction or only on site for a certain number of months at a time.

Although some Tiny Homes have composting toilets, the County would prefer that the RV units be hooked up to a septic system. The owner must confirm that the existing system is large enough for the connection as the Tiny Home is considered as a one bedroom addition. Grey water systems are not allowed in the State of Washington so connecting to a septic system is the best solution.

There is a recommendation submitted to our County by the Building Advisory Council (BAC) to create a definition for this type of improvement versus using the RV definition. The recommendation has not been adopted however, in December of 2016, the International Residential Code issued an Appendix to address codes for Tiny Homes.

Having States and Counties acknowledge that the Tiny Home is a housing source for our citizens will expedite the local efforts to provide regulations. These homes need to be safely built for occupancy, be able to be sold, resold, financed and insured. We need the guidelines as soon as possible.

WHAT IF SOMEONE PARKS TOO MANY RV OR TRAILERS ON THEIR PROPERTY?

The County will respond to a complaint but they don't have the system in place nor staff to enforce the general regulations regarding vehicle parking on private property. As a REALTOR, I have noted numerous properties that have a high number of vehicles parked accompanied by various treasures, a few Costco tents and the infamous blue tarps, but I have always felt that situation is none of my business. Further the County does not respond to anonymous complaints.

IS FINANCING AVAILABLE?

If the home is not installed on a foundation it is considered personal property therefore no conforming real estate loan would be obtainable. It may be possible to obtain a consumer loan which is similar to the terms of a vehicle loan. On the various websites I did note that some of the service providers offer financing for their homes but not the land acquisition; that would need to be a separate land loan. Land loans are typically short term and have higher interest rates as the banks suffered numerous losses during the financial crisis in their land loan portfolios.

If the home is installed on a foundation and compliant with the County permitting and life safety inspections, then a portfolio real estate loan may be applicable. A conforming loan will be difficult due to the size of the home and the fact that the ratio of land value to home value will not be in line with lending guidelines. Conforming loans are defined as loans that may be sold into the secondary market such as to FNMA or FHMLC. They have preferred terms. Portfolio loans are held by the bank and not sold.

CAN I INSTALL MY TINY HOME ON A FOUNDATION?

The County will require that the owner supply evidence that the home was constructed to one of the various codes, whether it be International Residential Code which applies to stick-built homes or Housing Urban Development and Labor and Industries which applies to mobile and manufactured homes. Once the County has evidence, they will issue the permits necessary to allow construction of the Tiny Home on a foundation. The vehicle licensing title would then be eliminated and the home would be considered real property.

Beware; many plats have an architectural control committee and minimum home size restrictions which may prohibit the Tiny Homes.

Other rules and regulations such as density, health and safety would apply in the permitting process and once the Tiny Home is installed on a foundation and considered real property.

WHAT DENSITY IS ALLOWED UNDER THE LAND USE REQUIREMENTS?

If there is an existing home on the parcel and the site is zoned single family, the Tiny Home installation on a foundation must comply with the Accessory Dwelling Unit (ADU) regulations. Generally those requirements include that the parcel is at least 5 acres and the ADU must be located within 100 feet of the main house, be less than 1,000 square feet, be connected to the existing septic and water systems and use the same driveway.

If the property is vacant land, you may install up to two Tiny Homes on foundations; one would be considered the main dwelling and the second as the ADU. Again, 5 acres or greater and the ADU must be located within 100 feet of the main house with utility hook ups.

In addition to a main home and an ADU, a 5 acre parcel may be eligible to have one RV although many plats have Covenants, Conditions and Restrictions that prohibit the RV long term parking.

Further, guidelines apply regarding the rental of the real property structures. If you have a main house and ADU, only one may be rented nightly subject to a vacation rental permit. The other structure must be occupied by a tenant on at least a month-to-month or by the owner. You may not rent out the main and guest house on a nightly basis unless they are rented to the same party simultaneously.

HOW ARE THESE TINY HOMES BUILT?

The attraction to the tiny Home versus a trailer such as an Airstream is the quality of construction and life expectancy. The Tiny Homes are stick-built on their trailers or

skids. In most cases their plumbing, electrical, insulation and interior finishes are similar to a stick-built home but they are not always built to the code of a stick-built home.

Most trailers, tiny homes and RVs are built to comply with vehicle licensing safety standards set forth by American National Standard Institute 119.5 as well as NFPA 1192. These regulations focus on health and safety and the designation also aids in obtaining insurance and financing.

In some cases, it is unclear to what building code these Tiny Homes are being built to. The buyers of these homes need to be aware and must assume the responsibility that “during the course of construction” inspections may not have been made by any governmental agency.

Many firms offer Tiny Home Kits that assist you in the construction of your own home which in my opinion is further evidence of no formal standards. To someone that has been in the real estate and construction industries since 1978, the check lists offered by the service providers on the various websites are frightening to read. At least under the electrical portion of the check list, they highly recommended the use of a professional. As many Counties have yet to address building codes for these homes, it feels a little lawless out there.

Our County is currently working with the Building Advisory Council (BAC) in order to provide future clarification and guidelines for Tiny Homes and ADUs. The Council has recommended that the County develop a program similar to the Owner Builder Program. This would allow the homes to be permitted and constructed by the owner with only a Life and Safety inspection at completion. Under the owner builder program, a home must be permitted and comply with land use, the energy code, have compliant stairways, and adequate ingress and egress windows with safety glass.

In addition, there is a group that is forming a library of plans that have already been permitted and gone through the process at the County which should fast track the next application when those plans are used. It should also reduce the fees associated.

There may also be a few groups hoping to utilize the Tiny Homes under one of the affordable home programs that are offered in the County. This program may be similar to the self-help housing programs. I don't know if a density variance will be granted under this program as it is too early in the process.

TINY HOME OR GUEST HOUSE?

As the County is restrictive to the construction of guest homes, the Tiny Home will be a good alternative to accommodate friends and family. A review of the regulations around our guest houses may need to be revisited again. In our remote location where guests and family stay a while, guest homes are very popular. Many years back, due to fears of double density, we imposed various restrictions in hopes of stopping or reducing the guest house construction but some of these rules are being bypassed or ignored. As a

REALTOR, I see many outbuildings that are very similar to a guest house, but just not permitted as one.

As rentals, ADUs offer affordable housing for many of our citizens which should outweigh the concerns over double density. Before I launch further, the ADU regulations are an entire topic on their own. Hopefully it will be addressed in 2018 under the affordable housing compliance for the County.

HOW ARE THESE HOMES TREATED BY THE TAX ASSESSOR?

Per State statute, the Assessor may consider the Tiny Home or Park Model RV as real estate and assign a value to the improvements for assessment purposes once the unit is hooked up to utilities such as water, septic and power. Over the years, I have noted many Park Model RVs on properties with their wheels in place, but when you review their assessment information, they are assigned a land and improvement value. It used to puzzle me, but now I know.

As you may be aware, our Assessor only makes a physical site visit every 6 years, however; the properties are reassessed annually. It may take a while for the Tiny Homes that have been connected to utilities to be designated as improvements on the tax rolls.

HOW DO I FIND OUT MORE INFORMATION?

The popularity of the Tiny Home is present but it may take a few regulation updates in order for them to become prevalent in our neighborhoods.

If you desire more information about Tiny Homes in San Juan County, you may want to attend the classes that are offered at Skagit Valley Community College at the campus on San Juan Island instructed by Richard Russel, a general contractor on Orcas. rrorcas@rockisland.com.

Several Tiny Home businesses are in the start-up phase on San Juan Island. One local firm is owned and operated by Charli Schmidt. She is currently under construction on a home and has future expansion plans. Her website is www.SanJuanIslandTinyhomes.com and she can be reached at 360-317-4184.

As always, this article is intended for informational purposes and not intended to encompass all of the rules or regulations about the topic. As always, I am too wordy and if you made it through this article, I thank you. ☺

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