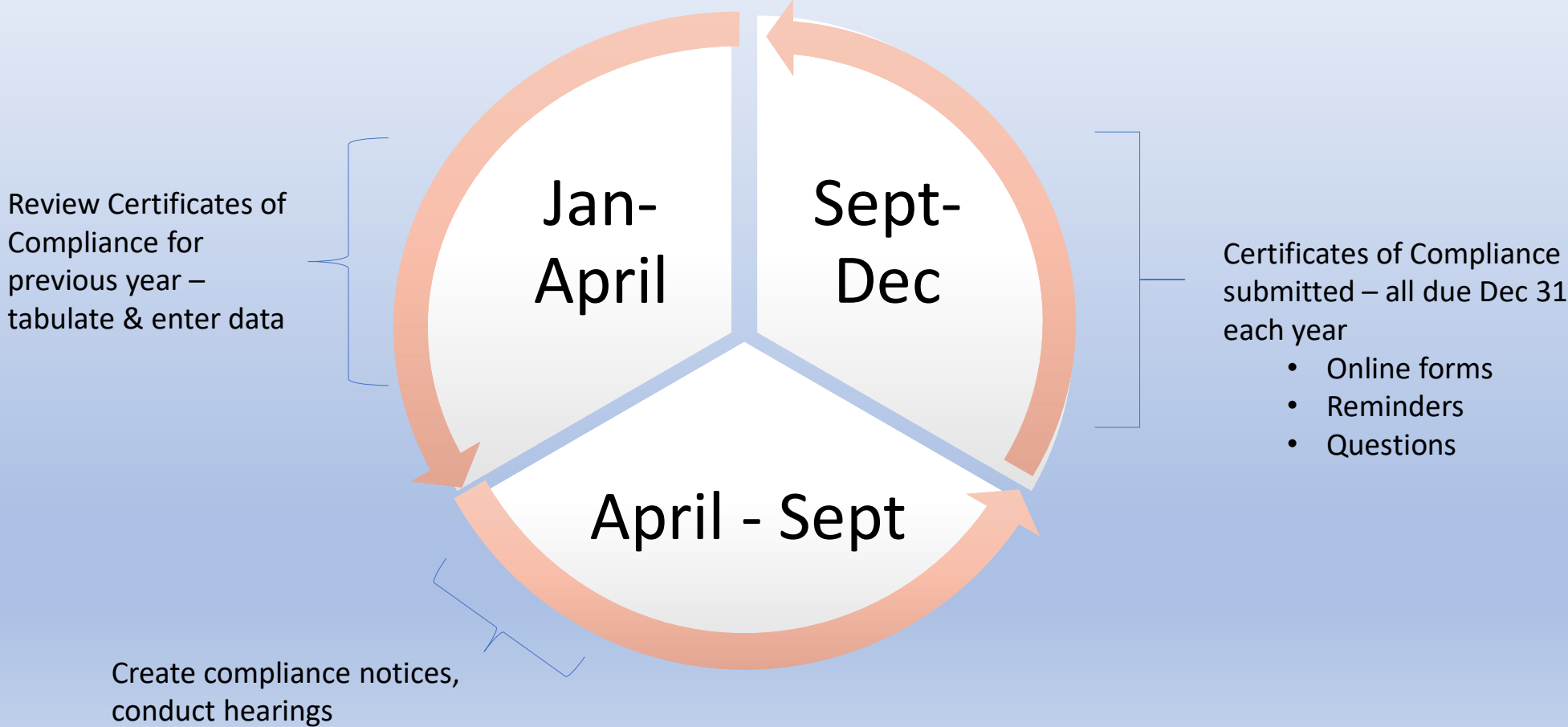


Vacation Rental Briefing

San Juan County Planning Commission

July 16, 2021

Annual Vacation Rental Compliance Cycle

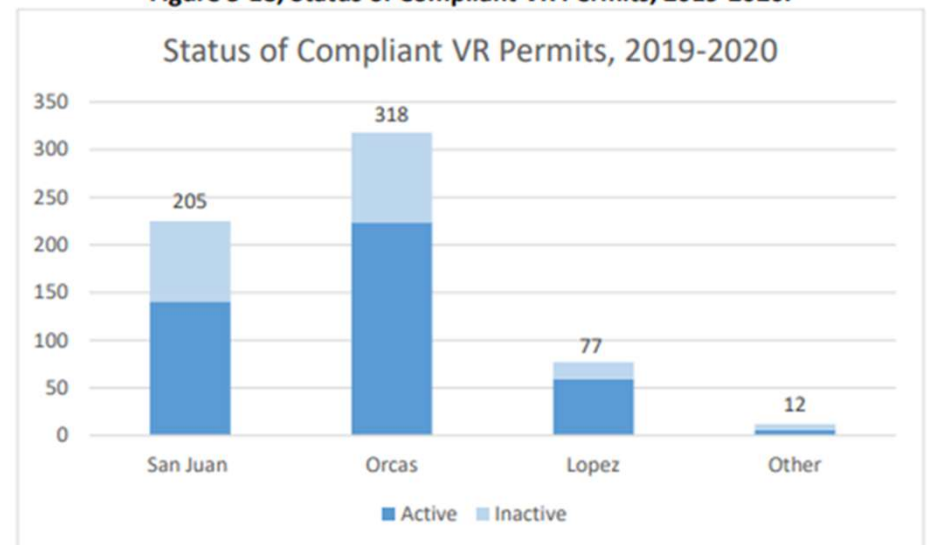


Annual Vacation Rental Compliance Process

- There have been three cycles: 2018, 2019 & 2020
 - ~1002 permits*
 - ~593 submitted 2020 Compliance Certificates*
 - 377 Active, 216 Inactive*
- There have been 2 enforcement cycles: 2019 & 2020
- 2020 enforcement cycle disrupted by pandemic
- Non-Compliant does not mean that there are nuisance complaints or issues

* As of January 25, 2021

Figure 5-18, Status of Compliant VR Permits, 2019-2020.



Source: SJC DCD 2019 Vacation Rental Compliance Update to County Council, 06/02/2020

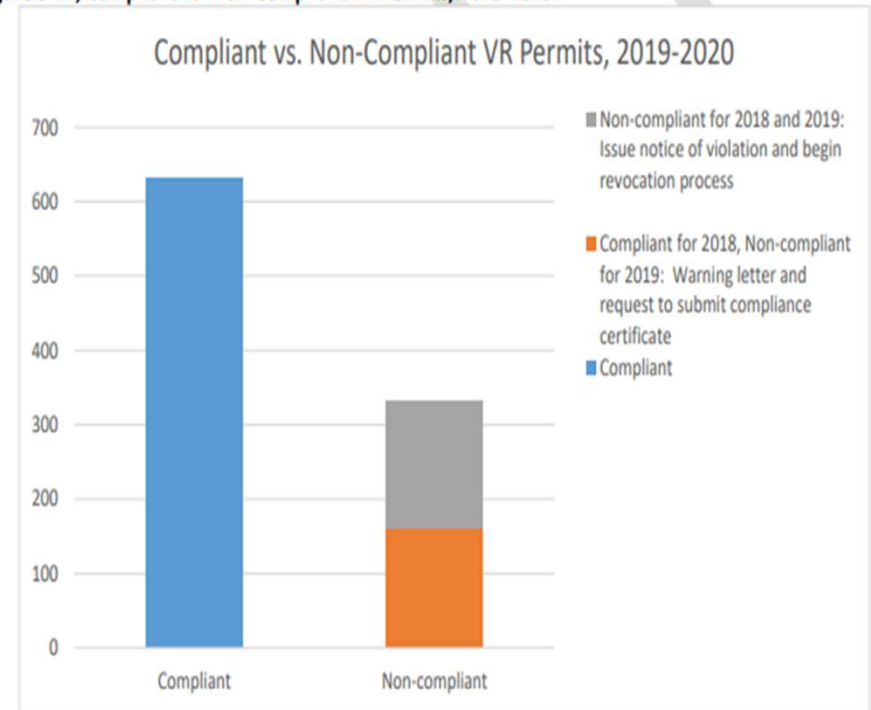
Effect of 2019 Compliance Effort

| | 2018 | 2019 | 2020 |
|-------------------------|---------------|-------------|---------------|
| Number Abandoned | 0 | -116 | -2 |
| No. Permits issued | 58 | 69 | 40 |
| Net Increase | 58 | -47 | 38 |
| Total VR Permits | ~1,010 | ~963 | ~1,002 |

Non-Compliant = missing a Certificate of Compliance

- Never submitted: ~160 - Revocation process
- Missed 2019 & 2020: ~70 – Warning Letter or Revocation
- Missed 2019: ~ 44 – Reminder
- Missed 2020: ~93 – Reminder

Figure 5-17, Compliant vs. Non-Compliant VR Permits, 2019-2020.



Source: SJC DCD 2019 Vacation Rental Compliance Update to County Council, 06/02/2020

Vacation Rental Code Enforcement

- Reports of nuisance in permitted vacation rentals are very low
 - Department of Community Development nuisance complaint for vacation rental in the last three years: <3
 - Noise complaints to the Sheriff associated with vacation rentals in the last three years: <3
- Most code violations are for UNPERMITTED VACATION RENTALS – >50 cited since 2016
 - See the “Vacation Rental Code Enforcement Report” published here:
 - <https://co-sanjuan-wa.smartgovcommunity.com/Public/ReportsView>

How do VRs fit into the Comprehensive Plan Process?

- Planning Commission (PC) working on Land Use element
 - Vacation rental “saturation” is issue to be addressed
- Two Distinct Tasks & Processes:
 - Policy direction on vacation rental “saturation” added to Comprehensive Plan Land Use Element – Comprehensive Plan Update Process & Hearing
 - Regulations developed to implement policy direction – Separate Code Amendment Process & Hearing

Conditions Today

- Countywide – 14,119 Housing Units, 1,002 vacation rental permits
- Countywide percentage - 7%, Unincorporated percentage – 8%
- 2019 Total Housing Units*
 - Orcas (34%**) - 4,800 housing units – 10% (491) with vacation rental permits
 - Lopez (24%**) – 3,389 housing units - 4% (130) with vacation rental permits
 - San Juan (32%**) ex FH – 4,518 housing units - 9% (385) with vacation rental permits
 - FH - (10%**) – 1,412

*Source of total units = US Census Bureau, American Community Survey 2019,

**Source of percentage of units by island = US Census Bureau, 2010 US Census

Trends and Future Forecast

Trend and analysis data is found in the Draft Housing Needs Analysis of the Comprehensive Plan:

https://www.sanjuanco.com/DocumentCenter/View/21667/2021-01-08_Appendix_5_HNA_Draft

- Vacation rentals – pg. 32
- Housing unit forecast – pg. 52
- Seasonal population forecast – pg. 54

Trends & Future Forecast

- It is projected that the County will have 18,059 housing units by 2036 based on past building permit data.
20 year average = ~200 SFR per year.
 - Orcas (34%) - 6,140 housing units
 - Lopez (24%) – 4,334 housing units
 - San Juan (32%) ex FH – 5,779 housing units
 - FH - (10%)
- Current building permit trends for housing units are below historic. Past 5 years average ~100 SFR permits per year.

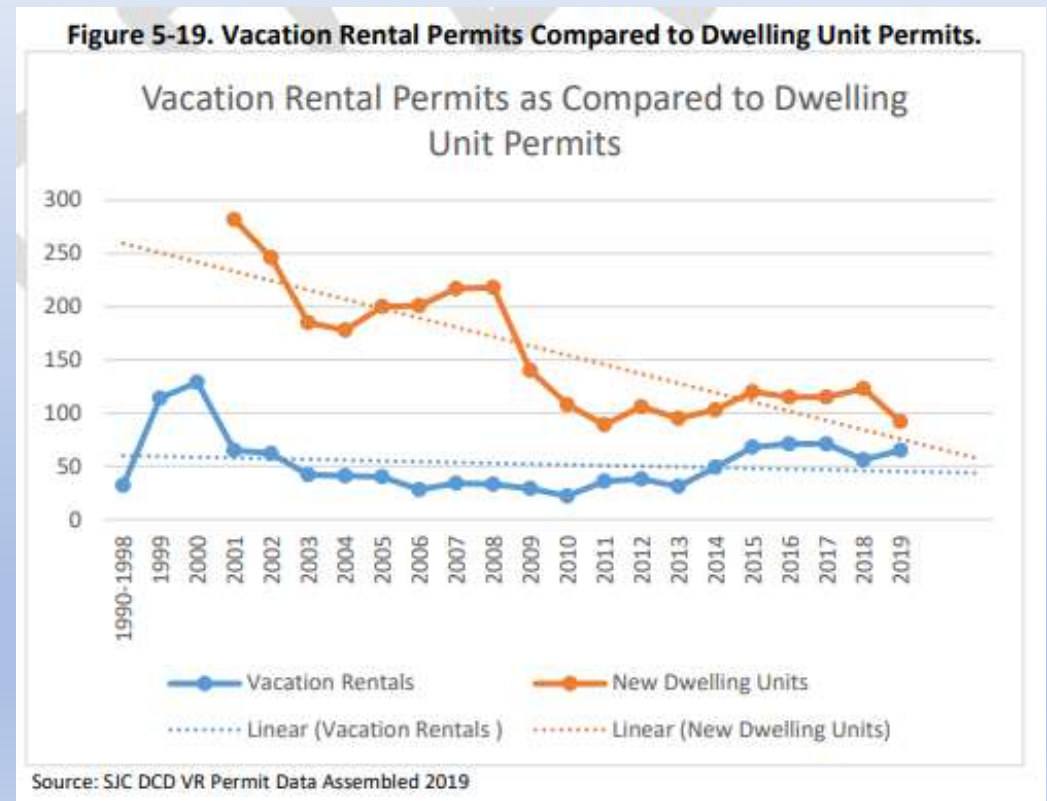
Figure 5-10. San Juan County Housing Permits, 1980-2016.



Source: Washington State Employment Security Dept. (ESD) San Juan County Data Tables

Trends & Future Forecast

- Twenty- year average = 50 vacation rental permits per year.
- Based on past trends, expect additional 500 - 1,000 permitted vacation rentals in San Juan County by 2036.
- The vacation rental share of total housing can be expected to be between 8 – 11% by 2036 given past permit trends.
- New compliance process is expected to reduce total permit numbers over time, but the program is too new to generate reliable forecast data.



Vacation Rental Locations and Land Use

Map VRs with land use designations:

<https://sjcgis.maps.arcgis.com/apps/webappviewer/index.html?id=f7a2a4a0e8e040ddb387c9ecfa0773>

<https://sjcgis.maps.arcgis.com/home/index.html>

2021 Vacation Rental Permits by Land Use and Island

| 2021 Issued Vacation Rental Permits as Of June 25, 2021 | | | | | |
|---|--------------|----------------------|----------|--|-------------|
| Number | TPN | Land Use Designation | Island | | |
| 1 | 462349073000 | Rural Residential | San Juan | | |
| 2 | 351365006000 | Rural Residential | San Juan | | |
| 3 | 173150062000 | Activity Center | Orcas | | Rosario ACT |
| 4 | 462650078000 | Rural Residential | San Juan | | |
| 5 | 272141005000 | Rural Farm Forest | Orcas | | |
| 6 | 350450005000 | Rural Farm Forest | San Juan | | |
| 7 | 271460021000 | Eastsound VR | Orcas | | |
| 8 | 271644002000 | Rural Farm Forest | Orcas | | |
| 9 | 173634004000 | Rural Residential | Orcas | | |
| 10 | 173123013000 | Activity Center | Orcas | | Rosario ACT |
| 11 | 173151002000 | Activity Center | Orcas | | Rosario ACT |
| 12 | 170732003000 | Rural Residential | Orcas | | |
| 13 | 173154022000 | Rural Residential | Orcas | | |
| 14 | 352321001000 | Rural Farm Forest | San Juan | | |
| 15 | 351433002000 | Rural Farm Forest | San Juan | | |

Total Vacation Rental Permits by Land Use Designation

| | ACT | AG | C | ER | ER1 | ER1P | ER2 | ER2P | ER4P | ERR | ERRP2 | FO | HC | HR | LUGA | M | OLGA | OVC | OVR2 | RFF | RG | RR | VC | VR | Grand Total | |
|--------------------|-----------|----------|----------|----------|----------|----------|-----------|----------|-----------|-----------|----------|-----------|----------|-----------|-----------|----------|----------|----------|----------|------------|----------|------------|----------|-----------|-------------|-----|
| Decatur | | | | | | | | | | | | | | | | | | | | | 3 | 2 | | | 5 | |
| Henry | | | | | | | | | | | | | | | | | | | | | | 1 | | | 1 | |
| Lopez | | 1 | | | | | | | | | | | | | 13 | | | | | | 106 | | 10 | | | 130 |
| Orcas | 40 | 2 | | 1 | 4 | 1 | 26 | 1 | 20 | 20 | 8 | 10 | 1 | 13 | | 2 | 7 | 1 | 7 | 212 | | 81 | 3 | 31 | 491 | |
| San Juan | | 2 | 1 | | | | | | | | | | | | | | | | | 184 | 2 | 196 | | | 385 | |
| Stuart | | | | | | | | | | | | | | | | | | | | 1 | | 1 | | | 2 | |
| Grand Total | 40 | 5 | 1 | 1 | 4 | 1 | 26 | 1 | 20 | 20 | 8 | 10 | 1 | 13 | 13 | 2 | 7 | 1 | 7 | 503 | 5 | 291 | 3 | 31 | 1014 | |

Vacation Rental Cap Discussion

- **Orcas Island** – Cap at 500 total vacation rental permits outside of Master Planned Resort (MPR) Designation. *Cap = Approximate total number of existing issued permits.*
- **San Juan Island** – Cap at 520 total vacation rental permits outside of Master Planned Resort (MPR) Designation. *Cap = 9% of projected future housing units. $18,059 * 32\% = 5,779 * 9\% = 520$*
- **Lopez Island** – Cap at 174 total vacation rental permits. *Cap = 4% of projected future housing units. $18,059 * 24\% = 4,334 * 4\% = 174$*
- **Overall County Cap** – 1,200 (*sum of Orcas, San Juan and Lopez is 1,194*)