




SAN JUAN COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT

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STAFF REPORT

REPORT DATE: October 1, 2021
TO: San Juan County Planning Commission
CC: Mike Thomas, County Manager
FROM: Adam Zack, Planner III 
SUBJECT: Vacation Rental Code Amendment: Permit Cap
HEARING DATE: October 15, 2021
ATTACHMENTS: A. Draft Ordinance Establishing a Cap on Permits for Vacation Rental of Residences or Accessory Dwelling Units (ADUs); Amending San Juan County Code (SJCC) 18.40.275
B. Draft Planning Commission Findings and Recommendations.

PURPOSE

To take public testimony on an:

ORDINANCE ESTABLISHING A CAP ON PERMITS FOR VACATION RENTAL OF RESIDENCES OR ACCESSORY DWELLING UNITS (ADUS); AMENDING SAN JUAN COUNTY CODE (SJCC) 18.40.275

After taking public testimony, the Planning Commission may deliberate on the proposal and make a recommendation regarding its adoption to County Council.

PUBLIC COMMENTS

Please send all public comments to VRComments@sanjuanco.com. Please do not copy the County Council, Planning Commission members, or County Staff. Written public comments received by October 14 will be provided to the Planning Commission prior to the meeting. Please focus public comments on the issues contemplated in this memo.

BACKGROUND

In 2018, San Juan County adopted new vacation rental regulations that included requirements to address neighborhood nuisances, speeding, garbage, water conservation, fire safety and inspections. The regulations created an annual certificate of compliance program and set an expiration period of two years for new permits that do not maintain their compliance.

As part of this process, the Planning Commission discussed the “saturation” of vacation rentals and deferred a decision on the question of “how many vacation rentals are too many” to the Comprehensive Plan Update. In fall of 2020, the Planning Commission began discussions on this issue and recommended that the County Council consider a cap on vacation rental permits county-wide, by island and by neighborhood, if possible. The Planning Commission also recommended that a moratorium on new vacation rental permits be enacted

until regulations establishing a cap were in place. At that time, the Planning Commission did not discuss the specifics of the cap or caps.

In January 2021, the County Council established a moratorium on vacation rental permits to allow for time to consider a cap on vacation rentals. The County Council modified the moratorium on March 9, 2021 to apply only to activity centers, hamlets, and urban growth areas. The County Council discussed vacation rental caps at their meetings on March 30, May 12, and June 29, 2021, and provided the following guidance to staff and the Planning Commission:

- The caps should be county-wide and by island;
- They should be a fixed number rather than floating;
- The cap on Orcas Island should be 500 permits, which is about the total number that exist today;
- Consider a cap on San Juan Island closer to 500 (similar to Orcas);
- Consider a cap on Lopez Island that is more than the current number (130) but not as many as San Juan and Orcas Island; and
- Move forward to consider vacation rental permit caps before considering other regulations that may take more time to complete.

The Planning Commission discussed the cap at their meetings on July 16, August 20, and September 17, 2021. The County Council direction was provided to the Planning Commission in a staff report dated July 1, 2021, posted online at: <https://www.sanjuanco.com/DocumentCenter/View/23420/>. During the September meeting, the Planning Commission made the following motion regarding a cap on vacation rentals:

The Planning Commission recommends that the County Council sets the limit on vacation rentals at 650 permits which were compliant as of July 31, 2021.

229 for San Juan Island
334 for Orcas
85 for Lopez
2 for Other Islands

The attached draft ordinance shows the proposed amendments to SJCC 18.40.275 that would adopt the cap as proposed by the September 17, 2021 motion (Attachment A).

DRAFT FINDINGS

At the meeting on September 17, 2021, the Planning Commission agreed to a set of preliminary findings. The preliminary findings are provided in the draft findings and recommendations in Attachment B. The preliminary Planning Commission findings are:

1. The San Juan County Comprehensive Plan acknowledges the difficulty in finding local housing that is affordable for a variety of incomes and establishes a policy to promote fair and equal access to housing opportunities for all persons;
2. The growth in the number of entire property vacation rentals leads to the partial conversion of long-term rentals to short-term rentals and an increase in rental and sales prices for properties;

3. San Juan County recognizes the financial benefits of vacation rentals to individual property owners and wishes to support the owners of all vacation rental properties that are compliant with County regulations;

4. San Juan County recognizes that all existing compliant permits remain valid and are not affected by this limit on permits.

The draft Findings and Recommendations in Attachment B can be amended during the deliberations following public testimony at the public hearing.

DRAFT ORDINANCE

Section 1 of the attached draft ordinance shows the amendments to San Juan County Code (SJCC) 18.40.275 as proposed by the Planning Commission (Attachment A). The ordinance proposes new subsections (N) and (O) of SJCC 18.40.275 and amendments to SJCC 18.40.275(L) for consistency with the proposed changes. The new sections 18.40.275(N) and (O) establish a cap on the total number of permits and per-island permits. The proposed new SJCC 18.40.275(N) and (O) would read as follows:

N. The number of vacation rental permits countywide outside of the Master Planned Resort (MPR) designation shall not exceed a total of six-hundred and fifty (650). Vacation rental permits shall be issued by lottery procedures established by the administrator and approved by the County Council.

O. The number of vacation rental permits shall not exceed the following caps:

1. Three-hundred and thirty-four (334) on Orcas Island;
2. Two-hundred and twenty-nine (229) on San Juan Island;
3. Eighty-five (85) on Lopez Island;
4. Vacation rentals are prohibited on Shaw Island by SJCC 16.45.180(C);
5. Vacation rentals are prohibited on Waldron Island by SJCC 16.36.060(G); and
6. Two (2) on all other islands.

Subsection 18.40.275(L) establishes the requirement that permits vested under previous regulations must submit certificates of compliance. This subsection will be amended to exclude the sections that existing permits vested or approved prior to Ordinance 02-2018 cannot certify compliance with because they were issued under previous regulations. This includes the recently amended guest number limitations, recently amended parking requirements, and the permit expiration standard established for permits issued under the current regulations. The proposed text of SJCC 18.40.275(L) with ~~strikeout~~/underline formatting (~~Removal~~/Addition) states:

L. The owners of vacation rental permits vested or approved prior to the effective date of ~~the Ordinance 02-2018 codified in this section~~ are required to comply with all subsections of this section except subsections (B), (F) and (J) of this section by December 31, 2018, in addition to the conditions of their permit.

For reference, Ordinance 02-2018 became effective on March 27, 2018.

NEXT STEPS

After the Planning Commission public hearing on the proposed amendments to SJCC 18.40.275, the Planning Commission's findings and recommendations will be provided to the County Council. The Council will consider the findings and recommendations as they work on adopting legislation to amend SJCC 18.40.275. The County Council must have a minimum of three touches on the ordinance and hold a public hearing prior to adoption. The legislative procedures for modifying Title 18 SJCC are established in SJCC 18.90.020 Legislative procedures.

ORDINANCE NO. ____ - 2021

ORDINANCE ESTABLISHING A CAP ON PERMITS FOR VACATION RENTAL OF RESIDENCES OR ACCESSORY DWELLING UNITS (ADUs); AMENDING SAN JUAN COUNTY CODE (SJCC) 18.40.275

BACKGROUND

- A. In 1998, the County Council adopted Ordinance 2-1998, establishing performance standards for vacation (short-term) rentals of residences and accessory dwelling units (ADUs) in San Juan County Code (SJCC) 18.40.270.
- B. SJCC 18.40.270 was amended three times by Ordinances 145-1998, 21-2002, and 7-2006.
- C. In 2018, the San Juan County Council adopted Ordinance 2-2018, repealing SJCC 18.40.270 and establishing SJCC 18.40.275, which regulates vacation rental of residences and ADUs.
- D. SJCC 18.40.275 does not specifically regulate the number of vacation rental permits.
- E. The County Council identified a need to adopt specific regulations to limit the number of vacation rental permits allowed countywide and on a per-island basis.
- F. The County Council met to develop legislative options for regulations related to the vacation rental moratorium on February 23, 2021; March 9, 2021; March 30, 2021; April 20, 2021 and May 12, 2021.
- G. At their May 12, 2021 meeting, the County Council provided guidance to the staff and the Planning Commission for development additional vacation rental regulations including an overall cap on the number of permits issued, caps on numbers of permits issued by island, measures to address emergency management, impacts to neighborhoods and impacts to community roads and water systems.
- H. The County Council specifically desires to:
 - 1. Establish a Countywide cap for vacation rentals in the Unified Development Code (UDC), Title 18 SJCC.
 - 2. Establish a per-island cap for vacation rentals in the UDC, Title 18 SJCC.
- I. County staff briefed the Planning Commission about the County Council direction and draft proposal on July 16, August 20, and September 17, 2021.

ATTACHMENT A

- 1 K. County staff completed the environmental and nonproject action checklist for the project
2 in compliance with the State Environmental Policy Act (SEPA) and determined that the
3 proposal would be unlikely to create significant adverse environmental impacts.
4
- 5 J. County staff issued a Determination of Non-significance (DNS) on September 29, 2021
6 and published it in the Journal of the San Juan Islands and The Island’s Sounder. County
7 staff transmitted the environmental checklist and DNS to federal, state, and local agencies
8 in accordance with SJCC 18.80.050 and WAC 197-11-340..
9
- 10 K. The Washington State Department of Ecology published notice of the SEPA determination
11 on their SEPA Register under No. 202105252.
12
- 13 L. County staff submitted a sixty-day notice regarding the potential adoption of amendments
14 to the County’s development regulations to the Washington State Department of
15 Commerce (Commerce) on September 28, 2021 in compliance with RCW 36.70A.106.
16
- 17 M. Commerce acknowledged receipt of the sixty-day notice and identified it as Submittal ID
18 No. 2021-S-3188 on September 28, 2021.
19
- 20 N. An October 15, 2021 Planning Commission public hearing was advertised in the Journal
21 of the San Juan Islands and The Island’s Sounder on September 29, 2021.
22
- 23 O. The Planning Commission held a duly advertised public hearing on October 15, 2021,
24 deliberated and recommended that the County Council should adopt the ordinance with
25 modifications.
26
- 27 P. County staff briefed the County Council on the Planning Commission’s recommendation
28 regarding the proposal on X, 2021.
29
- 30 Q. A X, 2021 County Council public hearing was advertised in the Journal of the San Juan
31 islands and the Island’s Sounder on X, 2021.
32
- 33 R. The County Council held a duly advertised public hearing on X, 2021, and received public
34 testimony.
35
- 36 S. The County Council deliberated on the ordinance and made the following findings:
37
 - 38 a. Placeholder: Council Findings.

40 **NOW, THEREFORE, BE IT ORDAINED** by the County Council of San Juan County,
41 State of Washington, as follows:

42
43
44 **Section 1. SJCC 18.40.275 and Ordinance 2-2018 § 2 are each amended to read**
45 **as follows:**
46

1 **18.40.275 Vacation rental of residences or accessory dwelling units (ADUs).**

2
3 When vacation rental of a residence or accessory dwelling unit, as defined by SJCC 18.20.220, is
4 allowed by this code, the following standards apply:

5
6 A. Outside of urban growth areas, one vacation rental is allowed on a property, either in
7 the principal residence or an accessory dwelling. Detached accessory dwelling units
8 permitted on or after June 29, 2007, are not allowed to be vacation rentals.

9
10
11 B. No more than two overnight guests per bedroom plus additional three overnight guests
12 shall be accommodated at any one time. The number of bedrooms is determined by the
13 approved building permit for the structure. A guest is a person over two years of age.

14
15 C. The vacation rental shall be operated according to rules of conduct approved by the
16 County that prevent the following disturbances to area residents:

- 17
18 1. Trespassing;
- 19
20 2. Noise that violates Chapter 9.06 SJCC (Noise Ordinance);
- 21
22 3. Off-site parking issues;
- 23
24 4. Vehicle speeds of higher than the posted speed limit, or 20 miles per hour (mph)
25 on private paved roads and 15 mph on private nonpaved roads; and
- 26
27 5. Outdoor burning that violates the requirements adopted pursuant to SJCC
28 15.04.070(F)(4)(c), including violations of a burn ban.

29
30 D. Solid waste must be removed from the vacation rental to an approved solid waste facility
31 every two weeks. Solid waste shall be stored in completely enclosed and secured solid
32 waste receptacles or stored completely indoors.

33
34 E. Guests shall be made aware of the importance of water conservation. Best practices to
35 conserve water shall be included in the rules of conduct.

36
37 F. One on-site parking space shall be provided for each bedroom within the vacation rental.

38
39 G. Meal service provided by the permit holder or their agents is not allowed.

40
41 H. All vacation rental permit holders are required to display the address of the residence so
42 that it is clearly visible from the street or access road.

43
44 I. Vacation rental accommodations must meet all applicable local and state regulations,
45 including those pertaining to business licenses and taxes such as Washington State sales,
46 lodging and business and occupation taxes.

ATTACHMENT A

1 J. Vacation rental permits vested or approved after the effective date of the ordinance
2 codified in this section shall expire two years after the date of approval unless the annual
3 certificates of compliance meeting the requirements of subsection (K)(4) of this section are
4 on file with the administrator.

5
6 K. All owners of property used for vacation rental shall comply with the following
7 operational requirements:

8
9 1. Maintain an up-to-date property management plan on file with the administrator
10 and property owners within 300 feet of the building within which the vacation rental
11 is located. The property management plan must include the following:

12
13 a. Rules of conduct approved by the County;

14
15 b. Unified business identifier number, and the names and addresses of the
16 property owner and agents authorized to act on the property owner’s behalf;

17
18 c. A designated local property representative who lives on the island where
19 the vacation rental is located and will respond to complaints and
20 emergencies; and

21
22 d. A valid telephone number where the local property representative can be
23 reached 24 hours per day;

24
25 2. Prominently display in the rental the rules of conduct and a map clearly depicting
26 the property boundaries of the vacation rental. The map shall indicate if there is an
27 easement that provides access to the shoreline; if so, the boundaries of the easement
28 shall be clearly defined; if there is no access, this shall be indicated together with a
29 warning not to trespass;

30
31 3. Include the San Juan County permit number for the vacation rental in all
32 advertisements and marketing materials such as brochures and websites;

33
34 4. Annually certify compliance with the conditions of permit approval and with the
35 fire and life safety requirements of the International Fire Code (IFC) as identified
36 by the department on forms specified by the administrator. The annual certification
37 shall be prominently posted on site; and

38
39 5. Certify compliance with the conditions of permit approval within 90 days after
40 the closing date of the sale of the property. Written certification must be submitted
41 to the department on forms specified by the administrator.

42
43 L. The owners of vacation rental permits vested or approved prior to the effective date of
44 ~~the ordinance 02-2018 codified in this section~~ are required to comply with all subsections
45 of this section except subsections (B), (F) and (J) of this section by December 31, 2018, in
46 addition to the conditions of their permit.

ATTACHMENT A

1 M. A vacation rental shall not operate or be advertised without a vacation rental permit.
2 Evidence of operation includes advertising, online calendars showing availability, guest
3 testimony, online reviews, rental agreements or receipts.
4

5 N. The number of vacation rental permits countywide outside of the Master Planned Resort
6 (MPR) designation shall not exceed a total of six-hundred and fifty (650). Vacation rental
7 permits shall be issued by lottery procedures established by the administrator and approved
8 by the County Council.
9

10 O. The number of vacation rental permits shall not exceed the following caps:

- 11 1. Three-hundred and thirty-four (334) on Orcas Island;
- 12
- 13 2. Two-hundred and twenty-nine (229) on San Juan Island;
- 14
- 15 3. Eighty-five (85) on Lopez Island;
- 16
- 17 4. Vacation rentals are prohibited on Shaw Island by SJCC 16.45.180(C);
- 18
- 19 5. Vacation rentals are prohibited on Waldron Island by SJCC 16.36.060(G); and
- 20
- 21 6. Two (2) on all other islands.
- 22
- 23

24
25 **Section 2. Effective Date.**

26 This Ordinance is effective on the 10th working day after adoption.
27

28
29 **Section 3. Codification.**

30 Section 1 of this ordinance shall be codified.
31

ATTACHMENT A

1 ADOPTED this ____ day of _____, 2021.
2
3

4
5 ATTEST: Clerk of the Council
6

COUNTY COUNCIL
SAN JUAN COUNTY, WASHINGTON

7
8
9 _____
Ingrid Gabriel, Clerk Date

10
11 _____
Jamie Stephens, Chair
12 District 3
13

14 REVIEWED BY COUNTY MANAGER
15

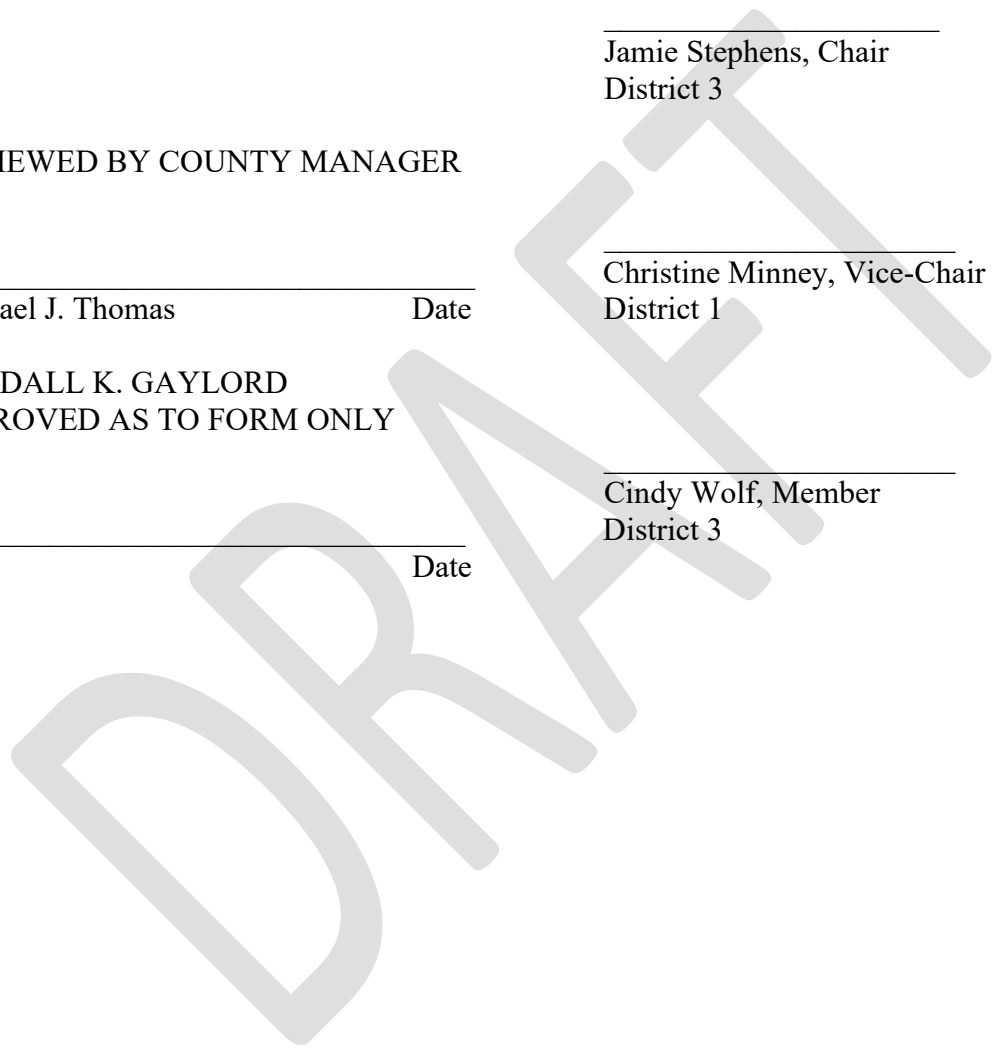
16
17 _____
18 Michael J. Thomas Date

19 _____
Christine Minney, Vice-Chair
20 District 1

21 RANDALL K. GAYLORD
22 APPROVED AS TO FORM ONLY
23

24 By: _____
25 Date
26

Cindy Wolf, Member
District 3





San Juan County Planning Commission

**DRAFT
FINDINGS AND RECOMMENDATIONS**

HEARING DATE: October 15, 2021

SUBJECT: An Ordinance Establishing A Cap on Permits for Vacation Rental of Residences or Accessory Dwelling Units (ADUs); Amending San Juan County Code (SJCC) 18.40.275

APPLICANT: San Juan County

LOCATION: San Juan County

COMMISSION MEMBERS PARTICIPATING: Camille Uhlir, Steve Rubey, Michael Pickett, David Kane, Matt Ellingson, Sheila Gaquin, Dale Roundy, Steve Smith, and Nick Knoellinger

COMMUNITY DEVELOPMENT AND PLANNING

RECOMMENDATION: Approval

PLANNING COMMISSION RECOMMENDATION:

FINDINGS AND CONCLUSIONS:

Preliminary Draft Findings subject to revision based on public comments:

1. The San Juan County Comprehensive Plan acknowledges the difficulty in finding local housing that is affordable for a variety of incomes and establishes a policy to promote fair and equal access to housing opportunities for all persons;
2. The growth in the number of entire property vacation rentals leads to the partial conversion of long-term rentals to short-term rentals and an increase in rental and sales prices for properties;
3. San Juan County recognizes the financial benefits of vacation rentals to individual property owners and wishes to support the owners of all vacation rental properties that are compliant with County regulations;
4. San Juan County recognizes that all existing compliant permits remain valid and are not affected by this limit on permits.

RECOMMENDATION:

Based on the above Findings and Conclusions, the San Juan County Planning Commission hereby recommends the following:

1. The County Council sets the limit on vacation rentals at 650 permits which were compliant as of July 31, 2021.
 - 229 for San Juan Island
 - 334 for Orcas
 - 85 for Lopez
 - 2 for Other Islands

RECOMMENDED this 15th day of October 2021, which constitutes the date of the Planning Commission’s action, per State law.

SAN JUAN COUNTY PLANNING COMMISSION

Chair or Vice-Chair Date

Co-signor Date