



# SAN JUAN COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT

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## MEMORANDUM

**REPORT DATE:** November 23, 2021

**TO:** San Juan County Council

**CC:** Mike Thomas, County Manager  
David Williams, Department of Community Development (DCD) Director

**FROM:** Sophia Cassam, DCD, Planner II *SC*

**SUBJECT:** Vacation Rental Moratorium Renewal

**HEARING DATE:** December 7, 2021

**ATTACHMENTS:** A. Draft resolution renewing a moratorium adopted in Resolution 03-2021, amended in Resolution 05-2021, and extended in Resolution 16-2021 on vacation rentals of residences or accessory dwelling units in UGAs, hamlets and activity centers

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Please find attached to this memorandum a draft resolution amending Resolution 05-2021 to include a revised work plan, extending the moratorium for 6 months to July 13, 2022.

The moratorium on new vacation rental permits for residences or accessory dwelling units in UGAs, hamlets and activity centers was first extended by Resolution 16-2021 on July 12, 2021. The moratorium will expire on January 12, 2022 unless extended.

In June 2021, the County Council provided guidance to staff and the Planning Commission about considering a cap on vacation rentals. 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/>. The Planning Commission made progress and discussed the cap at their meetings on July 16, August 20, and September 17 and at the public hearing on October 15, 2021.

Extending the moratorium on vacation rentals of single-family residences and accessory dwelling units will provide for the time needed to complete the legislative process for the development of regulations, which has been delayed due to staffing shortages. The work plan set by Resolution 16-2021 showed that this project was expected to be complete in February 2022 (Attachment A of Attachment A). Due to staffing shortages, additional time is required to complete the necessary legislative procedures. Attachment B of the draft resolution in Attachment A provides a revised work plan for completing code amendments regulating vacation rentals of single-family residences and Accessory Dwelling Units.

RESOLUTION NO. \_\_\_\_\_ - 2021

**DRAFT**

**A RESOLUTION RENEWING A MORATORIUM ADOPTED IN RESOLUTION 03-2021, AMENDED IN RESOLUTION 05-2021, AND EXTENDED IN RESOLUTION 16-2021 ON VACATION RENTALS OF RESIDENCES OR ACCESSORY DWELLING UNITS IN UGAS, HAMLETS AND ACTIVITY CENTERS**

- A. San Juan County Code 18.04.275 regulates vacation rental of residences or accessory dwelling units;
- B. Vacation rentals of residences or accessory dwelling units can have significant impacts on the community;
- C. The San Juan County Council (County Council) adopted Resolution No. 03-2021 on January 12, 2021 and placed a six-month moratorium on acceptance of complete vacation rental permit applications beginning at 12:01 am January 13, 2021;
- D. On February 23, 2021, within sixty-days after adoption of Resolution No. 03-2021, the County Council held a public hearing to receive public testimony on the resolution. The hearing was continued to March 9, 2021.
- E. After considering public comments, the County Council adopted Resolution No. 05-2021 on March 9, 2021, amending the moratorium established in Resolution No. 03-2021 to apply only to the UGAs, Hamlets and Activity Centers.
- F. On July 12, 2021, the day before the six-month moratorium expired, the County Council held a public hearing to consider and receive public testimony on Resolution No. 16-2021 to extend the moratorium for an additional six months until January 13, 2022.
- G. After considering public comments, the County Council adopted Resolution No. 16-2021 on July 12, 2021, extending the moratorium on new vacation rentals in UGAs, Hamlets and Activity Centers for an additional six months until January 13, 2021.
- H. While the moratorium is in effect, no new applications for a vacation rental permit shall be accepted as complete by any county department within UGAs, Hamlets and Activity Centers.
- I. Developing and drafting code amendments and carrying out the required Planning Commission and County Council legislative review processes are underway and a revised work plan has been prepared for this work.
- J. Pursuant to RCW 36.70A.390, a moratorium may be effective for not longer than six months, but may be effective for up to one year if a work plan is developed for related studies providing for a longer period;

- K. A work plan adopted on July 12, 2021 for the development of new vacation rental regulations is included with this Resolution as Attachment A; a revised work plan is included with this Resolution as Attachment B.
- L. Due to staffing shortages an additional three months is required to complete the legislative procedures, extending the expected completion of the work plan from February 2022 to May 2022, as shown in Attachment B. ...
- M. The County Council desires to renew the moratorium established in 03-2021 and modified by Resolution No. 05-2021 to extend the moratorium for an additional six months pursuant to RCW 36.70A.390.
- N. The County Council was briefed on the draft resolution on December 7, 2021.
- O. The County Council conducted a duly advertised public hearing, on Tuesday, December 7, 2021, regarding the adoption of this resolution to renew the moratorium established in Resolution 03-2021, modified by Resolution 05-2021, and extended by Resolution No. 16-2021 for an additional six months, and to adopt findings of fact and a revised work plan as required by RCW 36.70A.390.

**THE FOLLOWING FINDINGS OF FACT ARE ADOPTED BY THE COUNTY COUNCIL:**

- A. The above recitals are hereby adopted as findings of fact.
- B. San Juan County Code 18.04.275 regulates vacation rental of residences or accessory dwelling units (vacation rentals) but does not include regulations that address the impact of over-concentration of vacation rentals or the impacts of overtourism.
- C. Vacation rentals consist of transient occupants who are not resident in the community long enough to establish relationships capable of building community. Overconcentration of vacation rentals negatively impacts the sense of neighborhood or community as transient occupants begin to outnumber residents.
- D. Vacation rentals are the primary source of growth of transient accommodations in the County. Other sources of transient accommodations such as hotels, campgrounds and resorts are significantly limited by existing land use regulations.
- E. Growth of transient accommodations is likely to result in additional tourist visits to the islands, which may result in overtourism if not properly regulated.
- F. Overtourism can result in negative impacts including reducing the sense of community, damage to the environment, overload to infrastructure (ferries) and degraded tourist experience.

- G. The County Council is concerned that the over-concentration of vacation rentals within neighborhoods or islands will negatively impact the sense of community, the environment, overload the infrastructure (ferries) and degrade the tourist experience.
- H. It is appropriate to evaluate the impact of vacation rentals on the environment, neighborhoods and the community.
- I. 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.
- J. At their May 12, 2021 meeting, the County Council provided guidance to the staff and the Planning Commission for development of 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.
- K. The Planning Commission met to consider a cap on permits for vacation rental of residences or accessory dwelling units at their meetings on July 16, August 20, and September 17, 2021.
- L. On October 15, 2021, the Planning Commission held a public hearing and made a recommendation to the County Council regarding a cap on permits for vacation rental of residences or accessory dwelling units.
- M. It is necessary to explore local regulations of vacation rentals to ensure that the County adequately addresses potential land use compatibility issues and adverse impacts to rural character, natural resources and the public welfare.
- N. It is necessary to extend the moratorium on vacation rentals of single-family residences and accessory dwelling units to provide for the legislative process for the development of regulations to address these issues, which has been delayed due to staffing shortages.

**NOW, THEREFORE, BE IT RESOLVED** by the County Council of San Juan County, state of Washington, as follows, based on the recitals and findings above:

1. The moratorium on the issuance of vacation rental permit processing in UGAs, Hamlets and Activity Centers is renewed for an additional six-month period beginning January 13, 2022 and shall expire on July 13, 2022 unless renewed as provided in RCW 36.70.795 and 36.70A.390.
2. While this moratorium is in effect, no new applications for a vacation rental permit in the UGAs, Hamlets and Activity Centers, shall be accepted as complete by any county department, and no currently pending incomplete applications shall be accepted as completed by any department.
3. The revised work plan attached as Attachment B is hereby adopted.

ADOPTED this 7th day of December 2021.

ATTEST: Clerk of the Council

**COUNTY COUNCIL  
SAN JUAN COUNTY, WASHINGTON**

\_\_\_\_\_  
Ingrid Gabriel, Clerk Date

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Jamie Stephens, Chair  
District 3

REVIEWED BY COUNTY MANAGER

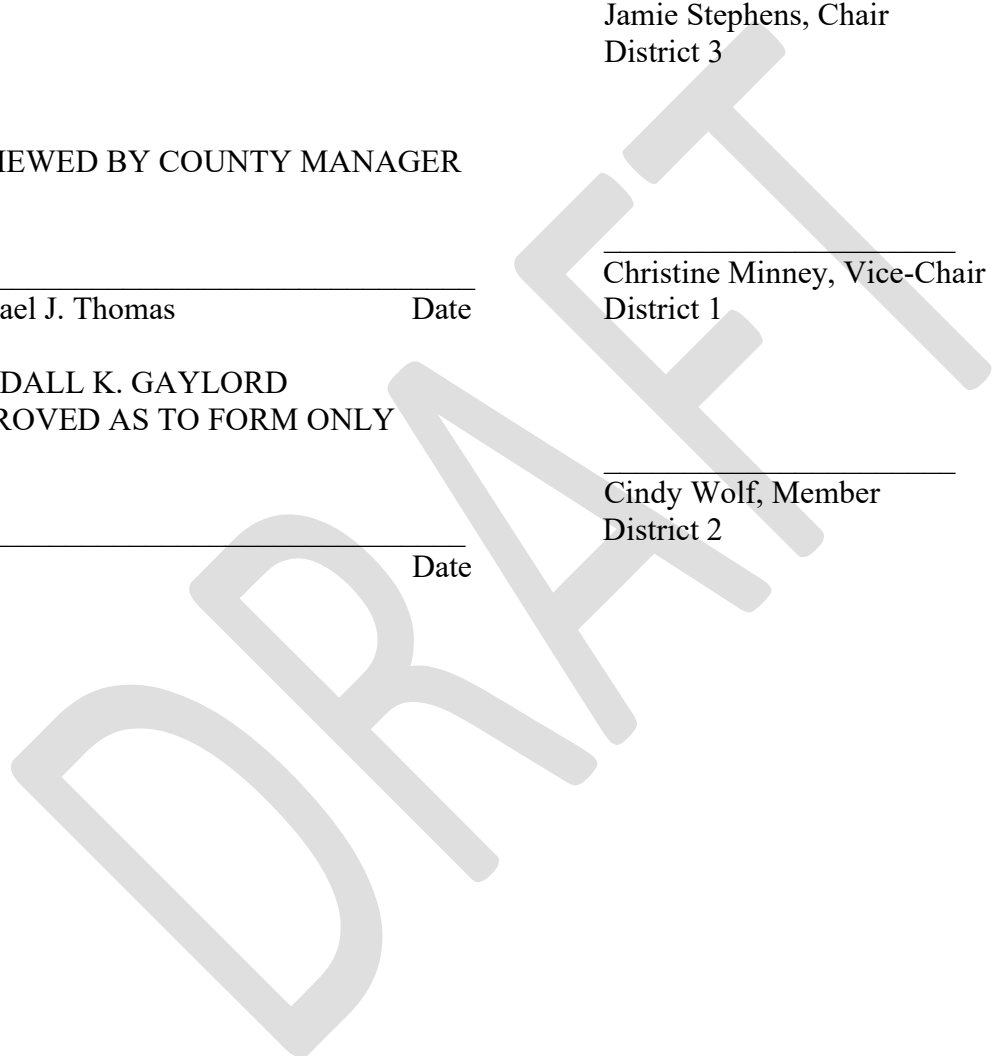
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Michael J. Thomas Date

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Christine Minney, Vice-Chair  
District 1

RANDALL K. GAYLORD  
APPROVED AS TO FORM ONLY

By: \_\_\_\_\_  
Date

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Cindy Wolf, Member  
District 2



ATTACHMENT A: July 12, 2021 Work Plan

<b>2021-2022 DEPARTMENT OF COMMUNITY DEVELOPMENT WORK PLAN SAN JUAN COUNTY CODE AMENDMENTS REGULATING VACATION RENTALS OF SINGLE FAMILY RESIDENCES AND ACCESSORY DWELLING UNITS</b>	
<b>DATE</b>	<b>ACTIONS</b>
February 23, 2021	County Council holds public hearing on Resolution amending Resolution No. 03-2021 and adopts a code development work plan
February 23, 2021 through August 30, 2021	Research ways to implement Council's intended outcomes Touch base with Council on specific questions/strategies Draft ordinance to regulate vacation rentals Revisit work plan and amend as necessary
July 2021	Brief Planning Commission
August 2021	Preliminary legal review Brief County Council and the public on the preliminary draft ordinance Incorporate preliminary feedback into the draft ordinance Develop presentation for Planning Commission
September 2021	Brief Planning Commission
October -November 2021	Incorporate the Planning Commission's recommendations into the draft ordinance Address any legal issues Issue a SEPA determination Submit a 60-day Notice of intent to adopt regulations to WA Dept. of Commerce Staff the Planning Commission public hearing and deliberations
December 2021	Brief Council on the Planning Commission's recommendation
January 2022	Council holds a public hearing Council Considers public input and deliberates on the draft ordinance DCD incorporates Council's comments into the draft ordinance
February 2022	Final legal review Council adopts a code amendment ordinance Publish a notice of adoption

ATTACHMENT B: Revised Work Plan

<b>2021-2022 DEPARTMENT OF COMMUNITY DEVELOPMENT REVISED WORK PLAN SAN JUAN COUNTY CODE AMENDMENTS REGULATING VACATION RENTALS OF SINGLE FAMILY RESIDENCES AND ACCESSORY DWELLING UNITS</b>	
<b>DATE</b>	<b>ACTIONS</b>
February 23, 2021	County Council holds public hearing on Resolution amending Resolution No. 03-2021 and adopts a code development work plan
February 23, 2021 through August 30, 2021	Research ways to implement Council's intended outcomes Touch base with Council on specific questions/strategies Draft ordinance to regulate vacation rentals Revisit work plan and amend as necessary
July 2021	Brief Planning Commission
August 2021	Preliminary legal review Brief County Council and the public on the preliminary draft ordinance Incorporate preliminary feedback into the draft ordinance Develop presentation for Planning Commission
September 2021	Brief Planning Commission
October -November 2021	Incorporate the Planning Commission's recommendations into the draft ordinance Address any legal issues Issue a SEPA determination Submit a 60-day Notice of intent to adopt regulations to WA Dept. of Commerce Staff the Planning Commission public hearing and deliberations
December 2021	Council holds a public hearing on a resolution to extend the vacation rental moratorium
January 2022	Prepare draft findings for the Planning Commission
February 2022	Staff the Planning Commission public hearing and deliberations on findings to accompany the recommendation made on October 15, 2021 Brief Council on a draft ordinance based on the Planning Commission's findings and recommendations – First Touch

March	Council review of a draft ordinance on the Planning Commission's findings and recommendations – Second Touch  Council continued review of a draft ordinance on the Planning Commission's findings and recommendations – Third Touch
April	Council holds a public hearing Council considers public input and deliberates on the draft ordinance DCD incorporates Council's comments into the draft ordinance
May	Final legal review Council adopts a code amendment ordinance Publish a notice of adoption

DRAFT