



# SAN JUAN COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT

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## MEMORANDUM

**REPORT DATE:** November 30, 2021  
**TO:** San Juan County Council  
**CC:** Mike Thomas, County Manager  
David Williams, DCD Director  
**FROM:** Sophia Cassam, Planner II *sc*  
**SUBJECT:** Vacation Rental Cap Status Update  
**BRIEFING DATE:** December 7, 2021

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### PURPOSE

To update the County Council on the Planning Commission's discussion of 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

### PUBLIC COMMENTS

Please send all public comments to [VRComments@sanjuanco.com](mailto:VRComments@sanjuanco.com). Please do not copy the County Council, Planning Commission members, or County Staff. Written public comments received by December 6 at 4pm will be provided to the County Council prior to the meeting. Please focus public comments on the issues contemplated in this memo.

Public comments on the vacation rental cap received since the October 15 Planning Commission hearing are attached (Attachment C). To view all public comments on this topic, please visit the 2021 Vacation Rental Code Amendment webpage: <https://www.sanjuanco.com/1826/2021-Vacation-Rental-Code-Amendment>

### BACKGROUND

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 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 discussed the cap at their meetings on July 16, August 20, and September 17 and at the public hearing on October 15, 2021.

## **PLANNING COMMISSION HEARING**

On October 15, 2021, the Planning Commission held a public hearing regarding a cap on vacation rentals. The staff report provided to the Planning Commission for the public hearing is available online at: <https://www.sanjuanco.com/DocumentCenter/View/24428/>. At the public hearing the Planning Commission made a recommendation on an ordinance establishing a cap on permits for vacation rental of residences or accessory dwelling units (ADUs); amending SJCC 18.40.275. The Planning Commission did not make findings to accompany the recommendation at the public hearing.

Per SJCC 2.20.070 Role and function of the planning commission, the Planning Commission must include findings when making a recommendation at a public hearing. Because none were made on October 15, 2021, the Planning Commission will hold a public hearing to make findings to accompany the recommendation. The next Planning Commission meeting is scheduled for January 21, 2022 and is planned to be an orientation day. Staff proposes to hold the public hearing at the scheduled February 18, 2022 Planning Commission meeting. The Council can also direct the Planning Commission to hold a special meeting to conduct the public hearing.

## **NEXT STEPS**

The County Council must have a minimum of three touches on the draft 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. The minimum required steps are outlined below:

1. Planning Commission public hearing to establish findings on the draft ordinance establishing a cap on permits for vacation rentals
2. Staff briefing to the Council on the Planning Commission findings and recommendation and draft ordinance [First touch]
3. Staff briefing on any changes to or questions about the draft ordinance resulting from the previous discussion [Second touch]
4. Council reviews the draft ordinance a third time and sets a public hearing on the proposed vacation rental permit cap [Third touch]
5. Council holds a public hearing
6. Council adopts a code amendment ordinance

## **MORATORIUM**

The Council set a public hearing on December 7, 2021 to extend the current moratorium on vacation rentals of residences and accessory dwelling units in UGAs, hamlets and activity centers. The current moratorium will expire on January 13, 2022 unless extended. Extending the moratorium will allow adequate time for the required legislative procedures. A revised work plan is provided in the draft resolution attached to the November 23, 2021 staff report here: <https://www.sanjuanco.com/DocumentCenter/View/24712>. While the moratorium is in effect, no new applications for vacation rental permits in urban growth areas, hamlets, and activity centers are accepted by the County.