



SAN JUAN COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT

135 Rhone Street, PO Box 947, Friday Harbor, WA 98250
(360) 378-2354 | (360) 378-2116
dcd@sanjuanco.com | www.sanjuanco.com

MEMORANDUM

REPORT DATE: February 3, 2022

TO: San Juan County Planning Commission

CC: David Williams, DCD Director

FROM: Sophia Cassam, Planner II *SC*

SUBJECT: Planning Commission Public Hearing on Findings for the October 15, 2021, Recommendation on a Vacation Rental Permit Cap

HEARING DATE: February 18, 2022

ATTACHMENTS: A. October 15, 2021 Planning Commission Recommendation
B. 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

PURPOSE

To hear public testimony and establish findings regarding the Planning Commission's recommendation made at the October 15, 2021, public hearing on an ordinance establishing a cap on permits for vacation rental of residences or accessory dwelling units (ADUs).

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 February 17 at 12pm will be provided to the Planning Commission prior to the meeting. Please focus public comments on the issues contemplated in this memo.

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

On October 15, 2021, the Planning Commission held a public hearing regarding a cap on vacation rentals. For background on the vacation rental code amendment project, please see the October 1, 2021, Staff Report for the October 15, 2021, Planning Commission Hearing on a Vacation Rental Permit Cap, available here: <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 (Attachments A and B). 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 no findings were made on October 15, 2021, the Department of Community Development and Prosecuting Attorney's office determined that the Planning Commission must hold a public hearing to make findings to accompany the recommendation.

DRAFT FINDINGS

At the meeting on September 17, 2021, the Planning Commission agreed to a set of preliminary findings. These draft findings were considered at the October 15, 2021, public hearing. While deliberating, the Planning Commission decided to strike out the draft findings and issue a recommendation only. 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.

PUBLIC HEARING

At the February 18, 2022, public hearing, the Planning Commission will hear and consider public testimony regarding the findings supporting the October 15, 2021 recommendation. During deliberations following public testimony, the Planning Commission can amend the preliminary findings or issue the findings as they read above.

NEXT STEPS

After the Planning Commission establishes findings at the public hearing, staff will brief the County Council on a draft ordinance reflecting the Planning Commission recommendation. The County Council must review the draft ordinance at a minimum of three meetings and hold a public hearing prior to adopting new regulations.



San Juan County Planning Commission

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, Michael Pickett, David Kane, Matt Ellingson, Sheila Gaquin, Steve Smith, and Nick Knoellinger

COMMUNITY DEVELOPMENT AND PLANNING

RECOMMENDATION: Approval

PLANNING COMMISSION RECOMMENDATION:

FINDINGS, CONCLUSIONS, AND RECOMMENDATION:

The San Juan County Planning Commission hereby recommends the following:

1. The County Council sets the limit on vacation rentals at 650 permits for a period of five years following the adoption of the proposed ordinance. This is the number of permits that 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

Camille White 10-20-21
Chair or Vice-Chair Date

[Signature] 10-20-21
Co-signor Date

ORDINANCE NO. ____ - 2022

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.

- 1 **J.** 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 **K.** 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 **L.** The Washington State Department of Ecology published notice of the SEPA determination
11 on their SEPA Register under No. 202105252.
12
- 13 **M.** 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 **N.** 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 **O.** 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 **P.** 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 **Q.** An October 15, 2021 Planning Commission public hearing was advertised in the Journal
28 of the San Juan Islands and The Island's Sounder on September 29, 2021.
29
- 30 **R.** The Planning Commission held a duly advertised public hearing on October 15, 2021,
31 deliberated and recommended that the County Council should adopt the ordinance with
32 modifications.
33
- 34 **S.** Findings and conclusions were not issued at the October 15, 2021, Planning Commission
35 public hearing.
36
- 37 **T.** County staff and the prosecuting attorney's office determined that findings and conclusions
38 must be issued at a public hearing to accompany the Planning Commission
39 recommendation.
40
- 41 **U.** On December 7, 2021, County staff briefed the County Council to inform them that the
42 Planning Commission must hold a public hearing to establish findings and conclusions.
43
- 44 **V.** On January 21, 2022, County staff briefed the Planning Commission to inform them that
45 they must hold a public hearing to establish findings and conclusions.
46

- 1 **W.** A February 18, 2022 Planning Commission public hearing was advertised in the Journal
- 2 of the San Juan Islands and The Island’s Sounder on February 2, 2022.
- 3
- 4 **X.** The Planning Commission held a duly advertised public hearing on February 18, 2022,
- 5 deliberated, and established findings and conclusions to accompany the October 15, 2021
- 6 recommendation.
- 7
- 8 **Y.** County staff briefed the County Council on the Planning Commission’s recommendation
- 9 regarding the proposal on X, 2022.
- 10
- 11 **Z.** A X, 2022 County Council public hearing was advertised in the Journal of the San Juan
- 12 islands and the Island’s Sounder on X, 2022.
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- 14 **AA.** The County Council was briefed on the Planning Commission’s recommendation on X,
- 15 2022.
- 16
- 17 **BB.** The County Council held a duly advertised public hearing on X, 2022, and received public
- 18 testimony.
- 19
- 20 **CC.** The County Council deliberated on the ordinance and made the following findings:
- 21
- 22 a. Placeholder: Council Findings.
- 23

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

26

27 **Section 1. SJCC 18.40.275 and Ordinance 2-2018 § 2 are each amended to read**
28 **as follows:**

29

30 **18.40.275 Vacation rental of residences or accessory dwelling units (ADUs).**

31

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

- 34
- 35 A. Outside of urban growth areas, one vacation rental is allowed on a property, either in
- 36 the principal residence or an accessory dwelling. Detached accessory dwelling units
- 37 permitted on or after June 29, 2007, are not allowed to be vacation rentals.
- 38
- 39 B. No more than two overnight guests per bedroom plus additional three overnight guests
- 40 shall be accommodated at any one time. The number of bedrooms is determined by the
- 41 approved building permit for the structure. A guest is a person over two years of age.
- 42
- 43 C. The vacation rental shall be operated according to rules of conduct approved by the
- 44 County that prevent the following disturbances to area residents:
- 45
- 46

- 1 1. Trespassing;
- 2
- 3 2. Noise that violates Chapter 9.06 SJCC (Noise Ordinance);
- 4
- 5 3. Off-site parking issues;
- 6
- 7 4. Vehicle speeds of higher than the posted speed limit, or 20 miles per hour (mph)
- 8 on private paved roads and 15 mph on private nonpaved roads; and
- 9
- 10 5. Outdoor burning that violates the requirements adopted pursuant to SJCC
- 11 15.04.070(F)(4)(c), including violations of a burn ban.
- 12

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

16

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

19

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

21

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

23

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

26

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

30

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

35

36 K. All owners of property used for vacation rental shall comply with the following
37 operational requirements:

38

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

- 42 a. Rules of conduct approved by the County;
- 43
- 44 b. Unified business identifier number, and the names and addresses of the
- 45 property owner and agents authorized to act on the property owner's behalf;
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c. A designated local property representative who lives on the island where the vacation rental is located and will respond to complaints and emergencies; and

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

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

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

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

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

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.

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

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) for a period of five years following the adoption of the ordinance codified in this section. 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;

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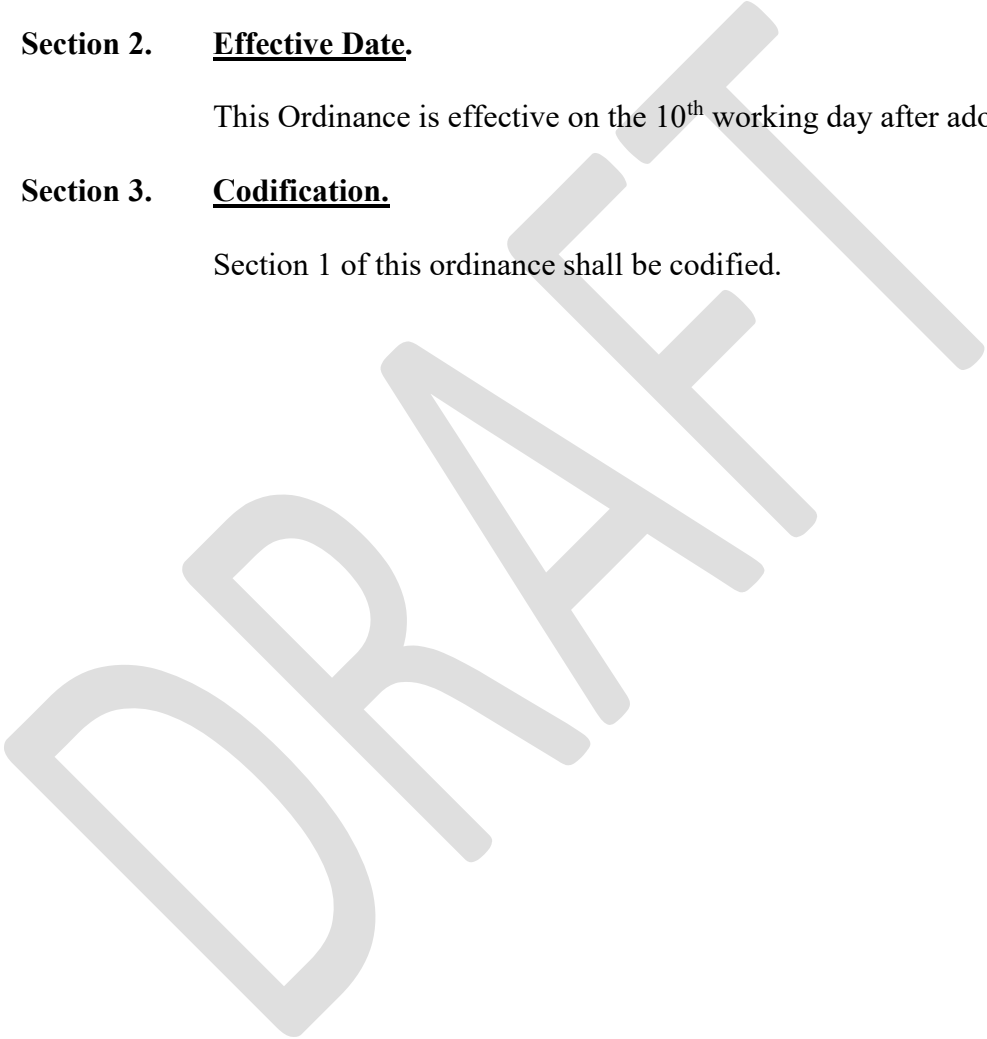
- 3. Eighty-five (85) on Lopez Island;
- 4. Vacation rentals are prohibited on Shaw Island by SJCC 16.45.180(C);
- 5. Vacation rentals are prohibited on Waldron Island by SJCC 16.36.060(G); and
- 6. Two (2) on all other islands.

Section 2. Effective Date.

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

Section 3. Codification.

Section 1 of this ordinance shall be codified.



1 ADOPTED this ____ day of _____, 2021.

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ATTEST: Clerk of the Council

**COUNTY COUNCIL
SAN JUAN COUNTY, WASHINGTON**

Ingrid Gabriel, Clerk Date

Jamie Stephens, Chair
District 3

REVIEWED BY COUNTY MANAGER

Michael J. Thomas Date

Christine Minney, Vice-Chair
District 1

RANDALL K. GAYLORD
APPROVED AS TO FORM ONLY

By: _____
Date

Cindy Wolf, Member
District 3

