



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

STAFF REPORT

REPORT DATE:	07/01/2021
TO:	Planning Commission
FROM:	Erika Shook, AICP, Community Development Director <i>ES</i>
SUBJECT:	Vacation Rental Regulations - Cap
BRIEFING DATE:	07/16/2021

FEEDBACK REQUESTED: Please provide staff with a preliminary recommendation for regulations for an overall county-wide cap on vacation rental permits as well as recommendations for caps by island.

PUBLIC COMMENTS: Please send all public comments to vrcomments@sanjuanco.com.

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 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 be put in place 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, 2021, May 12, 2021 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 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 current number (130) but not as many as San Juan and Orcas Island.
- Move forward to consider vacation rental permit caps before considering other regulations that may take more time to complete.

VACATION RENTAL PERMIT CAP OPTIONS: Numbers highlighted in yellow are decision points for Planning Commission discussion. Staff has provided suggestions to begin the discussion.

A. County-Wide Vacation Rental Permit Cap Established. The number of vacation rental permits county-wide outside of the Master Planned Resort (MPR) designation shall not exceed a total of 1,200. Vacation rental permits shall be issued by lottery procedures established by the administrator and approved by the County Council.

B. Vacation Rental Permit Cap by Island. The number of vacation rental permits shall not exceed the following caps:

1. San Juan Island Cap – The maximum number of vacation rental permits allowed on San Juan Island outside of the Master Planned Resort (MPR) designation is 520. *Cap = 9% of projected future housing units. $18,059 * 32\% = 5,779 * 9\% = 520$*
2. Orcas Island Cap – The maximum number of vacation rental permits allowed on Orcas Island outside of the Master Planned Resort (MPR) is 500. *Cap = Approximate total number of existing issued permits.*
3. Lopez Island Cap – The maximum number of vacation rental permits allowed on Lopez Island is 174. *Cap = 4% of projected future housing units. $18,059 * 24\% = 4,334 * 4\% = 174$.*
4. Shaw Island – Vacation rentals are not allowed by SJCC 16.45.180.C
5. Waldron Island – Vacation rentals are prohibited by SJCC 16.36.060.G
6. All other islands – The number of vacation rental permits issued on all other islands is limited only by the county-wide vacation rental permit cap established in A above.

Vacation Rental Permits Issued as of 06-25-2021

2021 Issued Vacation Rental Permits as Of 06-25-2021			
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
16	352043002000	Rural Farm Forest	San Juan
17	462650073000	Rural Residential	San Juan
18	350411010000	Rural Farm Forest	San Juan

Row Labels	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	4	1	26	1	20	20	8	10	1	13	13	2	7	1	7	503	5	291	3	31	1014

Table	Short	Total
1014	6	1020