December 18, 2019

Jamie Stephens Rick Hughes Bill Watson San Juan County Council 350 Court Street, #1 Friday Harbor, WA 98250

Dear Councilmen Stephens, Hughes and Watson:

We, the Vacation Rental Work Group Steering Committee, write to provide you with recommendations for regulations that we believe would significantly reduce the negative impacts arising from the proliferation of vacation rentals in San Juan County, and to ask you to take immediate action.

We will not use this letter to enumerate the concerns we have raised with each of you about how the proliferation of vacation rentals is harming the islands and our community. Our findings from research and community meetings are posted on <a href="https://www.vacationrentalsorcas.org">www.vacationrentalsorcas.org</a>.

The following recommendations evolved out of three public meetings on Orcas, attended by more than 200 islanders, from research we have conducted on the impacts of unrestricted growth of vacation rentals on small communities, and from study of regulations enacted by other jurisdictions that have effectively limited these impacts. This letter, delivered by e-mail, includes hyper-links to examples of regulations enacted by other jurisdictions.

## 1. Convert from the current land-use permit system to a business license, renewed annually.

- a. Advantages:
  - 1. New source of revenue to the County (it is our understanding that enacting such a system would result in all businesses being licensed by the county).
  - 2. Eliminate the need for the Community Development staff to write reports and the Hearing Examiner to review permit applications.
  - 3. Reduce speculation on the transfer of properties that hold permits.
  - 4. Allow for attrition of permits when properties are sold (based on a system of phasing out existing permits upon sale of property).
- b. Examples:
  - 1. Manzanita, OR
  - 2. Golden, CO
  - 3. Crested Butte, CO

- 2. Distinguish between Home Shares (owner in residence with one room for rent under the same roof) and Vacation Rentals (whole house). Home Shares would be subject to a separate cap.
  - a. Advantages:
    - 1. Supports people who need additional income to stay on island.
    - 2. Residents who share their homes serve as ambassadors for visitors, limiting the potential for negative impacts on neighbors.
  - b. Examples:
    - 1. Santa Monica, CA
    - 2. Golden, CO
    - 3. <u>Crested Butte, CO</u>
- **3.** Place a cap on the total number of VR permits allowed in the county. Start by setting the limit at the level of total permits that are *compliant and active* on 3/13/2020 (the two-year anniversary of the implementation date for the last revision to VR permits). Also set caps for UGA's, LAMIRD's, and possibly neighborhoods or census tracts.
  - a. Advantages:
    - 1. Assures that vacation rentals will not become a dominant use of residential properties.
    - 2. Limits the scale and rate of change.
    - 3. If implemented at a neighborhood scale, enables neighborhoods to re-gain a predominance of homes that are occupied year-round.
  - b. Examples:
    - 1. Manzanita, OR
    - 2. Austin, TX
    - 3. St. Augustine Beach, FL
- **4. Limit the location of future vacation rentals based on distance from one another.** For example, no VR may be located within 1,500 feet of the property line of a parcel with an existing VR.
  - a. Advantages:
    - 1. Enables neighborhoods to retain a majority of residences as owner-occupied or year-round rentals.
    - 2. Reduces the drain on community resources that results from the concentration of VR's in close proximity.
    - 3. Ensures/Protects a sense of rural community, in which people know who is living nearby.

- b. Examples:
  - 1. Santa Monica, CA
  - 2. Austin, TX
  - 3. San Antonio, TX
- 5. Align the occupancy allowed for Vacation Rentals with that for B & B Residences, and include sign-off by homeowners' associations, water-user associations, and road associations on application.
  - a. Advantages:
    - 1. Prevents VR's from occupancy that is in excess of allowed septic-system design.
    - 2. Levels the playing field between VR's and B & B's.
    - 3. Reduces the chance that the county will issue a VR permit for a property where private CC&R's prohibit that use.
- **6. Revoke Permits upon Violations (3-strikes rule)** Owners who operate without a license, or who fail to address two or more neighborhood complaints in a timely manner pay a fine, and, after three violations, lose their license. They are not allowed to re-apply for another license for three years.
  - a. Advantages:
    - 1. Removes bad actors, which in turn reduces the negative impacts of VR's.
    - 2. Levels the playing field.
    - 3. When paired with the business licenses (instead of land-use permits), reduces the County's costs for dealing with violators, since revoking a business license is not as cumbersome as revoking a land-use permit.
  - b. Examples:
    - 1. Sonoma County, CA
    - 2. Palm Springs, CA (see hotline info)
    - 3. Savannah, GA
- 7. Publish list of local contacts for each VR permit
  - a. Advantages:
    - 1. Increases transparency and allows for neighbors to present concerns directly to the appropriate party.
    - 2. May reduce the frequency of neighbors relying on the sheriff to address concerns.
  - b. Example:
    - 1. Palm Springs, GA good neighbor brochure & hotline

## 8. Require each VR to have a water meter and to provide data to county on usage.

- a. Advantages:
  - 1. Provides data for our collective effort to better steward a limited water supply.
- b. Examples:
  - 1. Fremont County, ID

Recognizing that the Council and county staff have many demands on their time, we stand ready to help. We would be pleased to participate in a work session to provide information on sample regulations from other communities, or to otherwise collaborate with the county in order to address this issue as swiftly as possible.

**Finally, we ask that you immediately place a moratorium on new vacation-rental permits**. As of the date of this letter, 1,853 people have signed the petition on change.org in support of an immediate moratorium. We believe this move is necessary to prevent the proliferation of vacation rentals while the county considers revising its regulatory structure.

Thank you for your consideration.

## Sincerely,

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