

AN ORDINANCE TO INCREASE THE AFFORDABILITY OF HOUSING IN SAN JUAN COUNTY FOR SAN JUAN COUNTY RESIDENTS

WHEREAS, San Juan County consistently ranks as the least affordable county in Washington according to the Housing Affordability Index, with a \$170,000 gap between what the average person in San Juan County can afford and the average price of a home; and

WHEREAS, the lack of affordable housing creates an on-island workforce shortage in many industries, including education, food service businesses, retail businesses, mental health, counseling, health care, and more; and

WHEREAS, San Juan County's 2019 update to its Five-Year Homeless Plan embraces the following housing value: every person should be treated with dignity and respect, and empowered in their own journey and path to a safe, stable life; and

WHEREAS, as of January 2019, at least 149 individuals in San Juan County were living in or at risk of homelessness; and

WHEREAS, the number one issue relating to homelessness in the islands is reportedly the lack of available affordable housing; and

WHEREAS, the 2015 American Community Survey uncovered that 43% of the homes in the islands were considered "vacant," with a majority being labeled "for seasonal, recreational, or occasional use"; and

WHEREAS, the connection between housing insecurity and the accelerating short-term rental market must be addressed through proactive policy; and

WHEREAS, there are currently no limits on the number of short-term and vacation rentals in San Juan County, though a majority of such properties are owned by individuals who live outside of the County; and

WHEREAS, regulations passed in 2018 restrict Vacation Rentals from property that is designated as Natural or Conservancy Shoreline, Agricultural or Forest Resource lands, or on Shaw Island, Waldron Island, or if they are connected to the Town of Friday Harbor water system (jurisdiction of the Town of Friday Harbor, not San Juan County), in addition to basic conduct, health, and safety requirements; and

WHEREAS, vacation rental permits currently last as long as the permit holder files the annual certificate of compliance and transfer with property; and

WHEREAS, the County has collected at least \$98,000 in fees from unpermitted vacation rentals; and

WHEREAS, the Vacation Rentals Working Group and other community initiatives and petitions exhibit robust support for moratoriums on the issuance of Vacation Rental Permits and more decisive regulations; and

WHEREAS, the 2019 update to the Homeless Plan recommends incentivizing long-term rentals through county ordinances; and

WHEREAS, San Juan County citizens appreciate that boundary-breaking policies like those set forth below are essential to an equitable recovery from the COVID-19 pandemic and historic injustice;

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

NEW SECTION. Sec. 1. Findings and Purpose. A new section is added to the San Juan County Code to read as follows:

The San Juan County Council finds and declares that the unaffordability of housing is one of the most significant issues facing San Juan County residents and is harming our community by artificially limiting the people who can live and work in the San Juan Islands. San Juan County consistently ranks as the least affordable county in Washington according to the Housing Affordability Index, with a \$170,000 gap between what the average person in San Juan County can afford and the average price of a home. The lack of affordable housing creates an on-island workforce shortage in many industries.

However, a substantial amount of housing lies vacant much of the time in San Juan County. A 2015 American Community Survey discovered that 43% of the homes in the islands are considered “vacant,” with a majority being labeled “for seasonal, recreational, or occasional use.” Some of this housing stock could provide long-term rental housing for island residents.

NEW SECTION. Sec. 2. Definitions. A new section is added to the San Juan County Code to read as follows:

NEW SECTION. Sec. 3. Establishment of limitations on vacation rental permits.

A. Vacation rental oversight committees.

By January 1, 2022, San Juan County will establish vacation rental oversight committees on each of San Juan, Orcas, Lopez, and Shaw Islands. These committees will be composed of 5-7 members of the public and shall be appointed by the San Juan County Council.

By July 1, 2022, each of the vacation rental oversight committees will have identified and forwarded to the San Juan County Council a recommended maximum number of vacation rental permits that may issue for each of the islands overseen by a committee. These limitations may be presented either as a percentage of building permits for primary dwelling units on each of the islands or as an absolute numerical limit. The limitations proposed by the oversight committees may be less than the current number of vacation rental permits that have issued for each of the islands.

B. Vacation rental permit limitation to fewer than existing vacation rental permits.

In the event that the vacation rental oversight committees recommend permit limitations below the current number of issued permits, and the San Juan County Council adopts those limitations, no new vacation rental permits shall issue until the number of valid permits falls below the threshold limitation number. On January 1 of the first year after the number of valid vacation rental permits falls below the number allowed for that island, new permits in an amount that does not allow exceedance of the limitation may be issued by lottery procedures established by the administrator and approved by the County council. No unassigned vacation rental permits shall carry forward to the next year.

Section 5. Section 18.40.275 of the San Juan County Code, titled Vacation rental of residences or accessory dwelling units (ADUs), shall be amended as follows:

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

A. Outside of urban growth areas, one vacation rental is allowed on a property, either in the principal residence or an accessory dwelling. Detached accessory dwelling units permitted on or after June 29, 2007, are not allowed to be vacation rentals.

B. No more than two overnight guests per bedroom plus additional three overnight guests shall be accommodated at any one time. The number of bedrooms is determined by the approved building permit for the structure. A guest is a person over two years of age.

C. The vacation rental shall be operated according to rules of conduct approved by the County that prevent the following disturbances to area residents:

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

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

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

F. Water use. Prior to issuing a vacation rental permit, County shall obtain proof from the applicant that they have installed a water meter that will measure water use associated with the vacation rental. Permittees shall report to the County Health and Community Services Department the amount of water used each month.

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

~~GH.~~ Meal service provided by the permit holder or their agents is not allowed.

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

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

~~J. Vacation rental permits vested or approved after March 27, 2018, shall expire two years after the date of approval unless the annual certificates of compliance meeting the requirements of subsection (K)(4) of this section are on file with the administrator.~~

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

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

a. Rules of conduct approved by the County;

b. Unified business identifier number, and the names and addresses of the property owner and agents authorized to act on the property owner's behalf;

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 March 27, 2018, 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. (Ord. 2-2018 § 2)

N. Vacation rental permits issued after January 1, 2021 shall expire upon the happening of any of the following events:

1. Any transfer of property on which the vacation rental operates, including by sale, lease, gift, devise, bequest, inheritance, relinquishment, foreclosure, or settlement.
2. Violation of any of the terms of the permit.

O. Vacation rental permits shall last for a duration of 12 months or fewer. The annual fee for a vacation rental permit shall be \$1,000, which amount shall be adjusted for inflation by the County every five years, beginning January 1, 2026, based upon changes in the consumer price index during that time period. "Consumer price index" means, for any calendar year, that year's annual average consumer price index, Seattle, Washington area, for urban wage earners and clerical workers, all items, compiled by the Bureau of Labor and Statistics, United States Department of Labor.

P. Density. No vacation rental permits may be issued for parcels that are located within 1,500 horizontal feet of a property line of a parcel with an existing vacation rental permit.

Q. Consent by affected parcels required. A vacation rental permit shall not issue for parcels subject to restrictions such as restrictive covenants, easements, or maintenance or use agreements associated with homeowners' associations, group water use, or road maintenance absent proof by the applicant of a signed written consent by the association or other entity that oversees the implementation of such covenants, easements, or agreements.

R. Owner-occupied housing. Vacation rentals offered by owners of property who live in the same structure as the areas to be rented as vacation rental shall not be affected by the limitations adopted pursuant to subsections A and B above.

S. Vacation rental contacts. The County shall make available to the public through its website a list of contacts for each vacation rental permit. Such list shall be updated at least as frequently as four times a year, on a quarterly basis.

Section 10. Severability.

If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

Section 11. Effective Date.

This ordinance shall be effective on _____.

ADOPTED this ____ day of _____ 2021.

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

Cindy Wolf, Member
District 2

RANDALL K. GAYLORD
APPROVED AS TO FORM ONLY

By: _____

Date

Christine Gabler-Minney, Member
District 1