

Hosting on the Rock, Vacation Rental Owner/Host Group
Jan Scilipoti, Representative of 238 signatories, listed below
214 Military Road
Lopez Island, WA 98261

February 19, 2021

San Juan County Council

Cc: San Juan County Planning Commission, Erika Shook, Adam Zack, Mike Thomas County Manager

RE: Vacation Rental (VR) Moratorium

Dear Council Members,

Regarding the VR Moratorium Resolution and Findings of Fact:

1. The VR Moratorium Resolution and Findings of Fact includes no actual “facts”. It contains subjective language that is not quantifiable, such as “overtourism”, “over-concentration of vacation rentals”, “sense of community” and “impact on the environment”.

Even if we agree that “overtourism” on the islands should be addressed, VRs are only one component of the county’s tourism issues. All residents, friends, visitors, and tourists who come to the islands will impact the environment and thereby our communities, not just guests who stay in VRs.

Council has failed to show sufficient “Harm”, a requirement for enacting a Moratorium. We ask that Council retract the Moratorium and instead re-engage with the Tourism Master Plan (see enclosed/attached) and consider all contributors to tourism, not just VRs.

2. Council Member Cindy Wolf’s letter to fellow Members Minney and Stephens (Wolf letter.pdf, attached) may have helped to influence the perception that a Moratorium is the only option. We’d like to make these points:

- In the first line she refers to “the year-round housing squeeze we are feeling on Orcas Island”. There is no documentation showing that fewer VRs will equate to increased year-round rentals. Historical data indicates that the number of *vacant homes* will increase if VRs are reduced. We all know the primary reason: second-home owners want to use their homes on weekends and during the summer. VRs allow this. Full-time rentals do not.

To illustrate this, we cite the Housing Study of 2015 (attached), which shows 7% of county homes are VRs, 16% are full-time rentals, 36% are vacant homes, and 41% are owner-occupied.

- She is correct to identify Orcas Island, as all of the groups recommending a Moratorium are located on Orcas. She says that in the time since the Planning Commission recommended a Moratorium to Council, “an estimated 20 permit applications have been submitted”. In two different presentations, Erika Shook showed this number being 9, not 20.
- Erika also showed that the total number of VR permit applications for 2020 were well below average at 40. An additional 4 applications came in during 2021. There were 69 in 2019, 58 in 2018 and 69 in 2017 (See 2010-2021 YTD VR permits issued-3, attached.) Not true that there

would be a rush, as shown by the application totals and also because it has been threatened for over a year that a moratorium would be put in place.

- The letter included 4 attachments. She refers to one, “a study from May 2000” (May 2000 socioeconomicgrowth.pdf, attached), which studies housing in Aspen, Nantucket, Martha’s Vineyard and Block Island and then compares their characteristics to the San Juan Islands. In this 50-plus page document, Vacation Rentals are not mentioned *at all*. This 20 year old study may have meaning, but it does not inform a need for a VR Moratorium.

Our response to this letter:

- *Do not extend issues from specific areas on Orcas to the entire county.*
- *Consider a Moratorium only in the Eastsound Subarea and Deer Harbor.*
- *There was no rush on VR permits. In fact, there was a significant reduction in applications in 2020.*
- *“Overtourism” may be an issue to address, but Vacation Rentals should not be singled out with this heavy-handed Moratorium.*

3. Regarding neighborhood concerns that VRs have negative consequences on the environment and sense of community:

We are surprised that Council has not been more outspoken about the year and a half process that culminated in new restrictions in 2018, each of which specifically addressed these concerns. A few are: a 24-hour number for neighbors to call, posting of vetted House Rules, a limitation on number of guests both staying and visiting, and annual septic tank inspections for VRs (non-VR homes must be inspected every 3 years).

Since it has been only eighteen months since these restrictions took effect, we ask that Council give them time to take effect. We believe the Moratorium is unnecessary, given that we have neither experienced the full effect of the 2018 restrictions nor has Council evaluated their efficacy.

Our request:

A Moratorium is unnecessary, given that we have not experienced the full effect of the 2018 restrictions.

Council should initiate an education plan that informs islanders about the restrictions, fees and reporting that VR owners have begun doing on their behalf.

Moratorium Recommendations:

1. Retract the Moratorium

This VR Moratorium is a blunt instrument that was implemented in a rushed manner and will take too much of the Planning Staff’s focus and resources for too long (currently scheduled through July 2022). In addition, this is not what we should be focused on during a Pandemic which has hamstrung our local businesses and residents. County resources and staffing should be used for economic recovery, COVID vaccinations and testing, and the Comprehensive Plan revision.

Regarding “overtourism”: Stop scapegoating VRs for overall tourism issues. Return to the process begun with the Tourism Master Plan and include VR owners in the process.

Regarding VRs: set a maximum of 50 new permit applications for 2021. Deal with the 360 non-compliant VR permits, allow the 2018 restrictions to show positive effects, and educate residents about the changes that have been made to support neighborhoods. In the meantime, work through the proper process (with the Planning Commission and the Planning Staff) to deal with specific issues that remain.

-or-

2. Revise the moratorium to include only affected areas, for instance, Eastsound and Deer Harbor on Orcas. These areas have specifically requested Moratoriums.

Do not limit the entire county because of issues in identifiable areas.

Regarding the Four Work Plans that will be created:

1. A Vacation Rental (VR) Cap, county-wide and by island

We are in agreement that a cap is a positive step for the islands.

One of our members recently researched and made a presentation regarding regulatory Caps in the vacation destinations of Savannah, GA, Manzanita, OR and Yachats, OR (2021 Caps for HostingontheRock.pdf, attached). Each uses a percentage of housing units as the method to calculate the Caps. She then applies this method to one of our local neighborhoods, the Orcas Highlands. Surprisingly, the percentage of existing Compliant, Active VRs comes in at only 6% of the total number of housing units.

In Savannah, owner-occupied parcels are exempt from Caps. This could be appropriate for San Juan County.

When discussing total numbers of VRs for a potential Cap system, it is important to differentiate between Compliant and Non-compliant (currently at 360), as well as how many of the Compliant permits are Inactive or Active. Consider exempting owner-occupied parcels from Caps.

2. Reducing non-compliant permits

We are in agreement that this should be a first step.

Additionally, we do not think further changes with the permitting system should be done before we have seen the effects of the 2018 revisions, including reducing non-compliant permits.

There were several comments during the Council meeting about how this is the first year we have seen the results of the 2018 revisions, and there was positive feedback about the effect of several components. We still have 360 permits that are not in compliance.

Budget concerns (for staffing) have been mentioned as a deterrent for processing non-compliant permits. The county now has VR income from the VR Lodging tax (\$4 million since

2017), annual permit fees, and application fees. All this income is new and in our opinion should be used immediately to stop non-compliant permit holders from renting their homes.

3. Eliminating permits that run with the land. This could be when a property sells or could be by 'timing out' permits.

Our group has split opinions about whether permits from this point forward should or should not run with the land. We do not agree that permits should 'time out', or be limited to a set number of years.

We understand that prior to the 2018 revisions, the permits will continue to run with the land.

We would like more information about the implications of whether permits from this point forward should run with the land. What are the issues that have brought you to this recommendation?

If a resident does not choose to sell their property and has a permit, they should be able to operate their VR for as long as they choose. Being a VR host requires an investment of capital and time, and the income is important to many residents. Limiting the time that a VR can be operated is undue hardship to owners.

This seems to be regarded as a problem from Councils' perspective based on discussions during meetings. On what scale is this actually happening? How often does a new homeowner choose to keep the permit in compliance? Of home sales in the last 3 years, how many new owners of homes with existing permits chose to maintain the permits in compliance?

Final Comments:

Revenue derived from the 2% Lodging Tax has infused over 4 million dollars into our community and services since 2017.

We recognize that over the last few years the VR Working Group on Orcas has been active in building a case for further restricting VRs. Many VR owners were displeased with the controlled nature of the meetings. As a result, some owners withdrew from the process because they felt dialogue was one-sided and not participatory. It was intimidating to many attendees.

The resulting interactions with the Planning Commission and Council have been biased and one-sided, and have not taken into account the opinions and knowledge of the owners who actually run county VRs and interact with the guests.

Please recognize that this Moratorium is too impactful, and begin to include Vacation Rental owners in the discussion.

We appreciate your consideration,

Jan Scilipoti

Attached Documents:

1. Orcas Business Letter to the Council.pdf
2. Wolf letter.pdf
3. 2015 Housing Data showing VR LTR Vacant FT.png
4. May 2000 socioeconomicgrowth.pdf
5. 2021 Caps for HostingontheRock.pdf

The following islanders have asked that their names be included in support of the vacation rental opinions that I've outlined above.

Erin & Pete Ancich, San Juan Island
Jenny, Kirk, Mary and Toni Ancich, San Juan Island
Connie Andersen, Friday Harbor
David and Susan Ambrose, San Juan Island
Connie Anderson, San Juan Island
Neal Anderson, Lopez Island
Kerry Andrews, San Juan Island
Brian B, San Juan Island
Jessica Bacon, Friday Harbor
Linda Bannerman, Orcas Island
Susan Barkshire, San Juan Island
Ryther Barbin, San Juan island
Michelle Bayba, Orcas island
Larry Bearg, Orcas Island
Elspeth Bellhart & Michael Bellhart, San Juan County
Sarah Bernstein, San Juan island
Bonnie Oak Boesky, Orcas Island
Josh Boudreau, San Juan Island
Jeffrey Bozanic, Property Owner, San Juan Island
Archie Brooks, San Juan Island
Carrie L. Brooks, San Juan Island
Brad Brown, Orcas Island
Samantha Bryner, San Juan Island
Steve Buck, San Juan Island
Ryan Burke, San Juan Island
Anita Callegari, San Juan Island
Robert Callegari, San Juan Island
Bette Cantrell, San Juan Island
Christian and Trina Carlson
Kim Contreras, San Juan Island
Lew and Debbie Dickinson, San Juan Island
John Dreesmann, San Juan Island
Celes Eckerman, San Juan Island
Jerry & Marilyn Eisner, Orcas Island
Jim & Cathy Ferran, Orcas Island
Brandy Carpentier, San Juan Island
Emma Jean Carpentier, San Juan Island
Natalie Chevalier, San Juan Island
Dan Christopherson, Orcas Island
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Meg & Bob Connor, Orcas Island
Jim Cooper, San Juan Island
Val Cooper, San Juan Island
Paul Cooper, San Juan Island
Cathryn Curlett, Orcas Island
John & Katie Curlett, Orcas Island
Peter Dammann, San Juan Island
Deb Dickerson, San Juan Island
Sherri & Paul Doherty, Orcas Island
Bj Dollahite
Audrey Dolsen
Dwight Duke, Orcas Island
Celes Eckerman, San Juan Island
May and Wes Edholm, San Juan Island
Brian Ehrmantraut, Orcas Island
Rivka Eisner & Mark Lever, Orcas Island
Mary Jane Elgin, Orcas Island
Heidi Evans, San Juan Island
Kim Fackrell, Orcas Island
Susan Fallat, San Juan Island
Enos & Kathy Farnsworth, San Juan Island
Marjorie Fielding, San Juan Island
Andrew Fleming, San Juan Island
Bob Frangooles & Anne Pace, San Juan
Gary Franklin, San Juan Island
Deb Fritz, San Juan Island
Evelyn Fuchs & Michael Mckinstry, Orcas Island
David and Katie Gaible
Tawnie Gallagher, San Juan Island
Lauren and Michael Gardiner, Snohomish County
Janay Geiser, San Juan Island
Aylene Geringer and Mark Zipkin, San Juan Island
Brian & Rachel Goodremont, Friday Harbor
Anders and Lori Goranson, Orcas
Tiffany Goudey, San Juan Island
Tina Grace, Orcas Island
Jack and Ladell Grandsaert, San Juan Island
Chris Grifo, San Juan Island
Elise M. Grisel, San Juan Island
Peter A Grisel, San Juan Island
Susan & Wally Gudgell, Orcas Island
Pierrette Guimond, Orcas
Bob Halliday, Orcas Island
Rebekah Halpern, Property Owner San Juan Island
Dennis Hamel, Orcas Island
Mark & Kati Heckeke, Friday Harbor, San Juan Island
David & Nancy Hodges, San Juan Island
George and Teresa Holland, San Juan Island
Marlace Hughes, Orcas Island
Rebecca Hughes and Howard Crowell, San Juan Island
Cheryl Jackson, Orcas Island
Capella & Nick James, San Juan Island
Cheryl Jefford, Orcas Island
Lauren, John, Melissa, Scott and Kelly Jacobi, San Juan Island
Logan Johnson
William Johnson, Lopez Island
Boyd, MaryAnn, Nanette and Wayne Judd, San Juan Island
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Pam and John Keffer, San Juan Island
Warren and Tracy Kelly, Orcas Island
Jana & Randy Kessinger, San Juan Island
Becky Kilpatrick, San Juan Island
Sara Kissel, Orcas Island
Amy Knutson, San Juan Island
Dana Knutson, San Juan Island
Jesse Knutson, San Juan Island
Meghan Korb, San Juan Island
Johannes & Angie Krieger, San Juan Island
Alex Krieger, San Juan Island
Eric Krieger, San Juan Island
Laura Krieger, San Juan Island
Luz Krieger, San Juan Island
Malorie Krieger, San Juan Island
Wolf Krieger, San Juan Island
Wolfram Krieger, San Juan Island
Omeed and Jonathan Kroll, San Juan Island
Colas Kronschnabel
Andy Kronschnabel
Claudia La Cava, San Juan Island
Kelsey Larrabee, San Juan Island
Marc Lampe, San Juan Island
Julie & Peter Larsen, San Juan Island
Tim and Melinda Larson, San Juan Island
Barb & Scott Leeming, San Juan Island
Vicki Leimback, Orcas Island
Jim and Amy Lepien, Orcas Island
Trini Leslie, San Juan Island
Yasuko and David Lewin, San Juan Island
Dom Liberatore, San Juan Island
Carol & Max Lyons, Orcas Island
Cheryl Loder, San Juan Island
Josi Long
Juan and Heidi Lopez, San Juan Island
Jenny Low, San Juan Island
Sybil & Travid Mager, San Juan Island
Brittany Mahoney, San Juan Island
Peg Manning, Orcas
Jessica & Trent Martenson
Daniel Marty, Orcas
Michele Mayer, San Juan Island
Brent & Doris McDonald, Orcas Island
Mike McGillivray, San Juan Island
Toni Michele, San Juan Island
Lydia Miller, Orcas Island
Merwyn Murk, Orcas Island
Bobbette Murk, Orcas Island
Tessa Nichols, San Juan Island
Donald Niemann, San Juan Island
Kristen Nimmo, Orcas Island
Madeline Ochsner, San Juan Island
Courtney Oldwyn, San Juan Island
Suzanne Olson, Orcas Island
Clayton & Trina Olson, Orcas Island
Stella and Mark Padbury, Orcas Island
Norris & Karen Palmer, San Juan Island
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Lorne Paulson, San Juan Island
Amy Pearson
Hal Peterson, Lopez Island
Rob Peterson, San Juan Island
Michaela K Peterson, Lopez Island
Sherri Pierson, Orcas Island
Melisa Pinnow, San Juan Island
Timothy and Rene Polda, San Juan Island
Larry and Elizabeth Pollock, Orcas
Terese Prescott, San Juan Island
Charis Pruitt, San Juan Island
Jim Pruitt, San Juan Island
Tyler Pruitt, San Juan Island
Jorge Puente, Orcas Island
Vijay Rathore, San Juan Island
Jon Richards, San Juan Island
Candace Richter, San Juan Island
Debbi Rishel, San Juan Island
Lisa Robinson-Spader, San Juan Island
Barb Roddy, Orcas Island
Patricia Roma, San Juan Island
Mindy Rowse, Orcas Island
Marie Rothlisberger, San Juan Island
Marlis K. Sandwith, San Juan Island
Roger Sandwith, San Juan Island
Trygve Satterlee, San Juan Island
Annette Schaffer, Friday Harbor
Ryan Schiess, Friday Harbor
Jayson & Katie Schmidt, San Juan Island
Peter & Brenda Schmidt, San Juan Island
Amanda Schmidt, San Juan Island
Jennifer Schmidt, San Juan Island
Hollie Schoppman, San Juan Island
Kari and Jim Schuh, Orcas Island
Katherine Schultz, San Juan Island
Damien Scott, San Juan Island
Michelle Seidelman, San Juan Island
Mike Sharadin, San Juan Island
Richard Simpson, San Juan Island
Jeanne Sleeper, San Juan Island
Heather Smith, San Juan Island
Ryan Smith, San Juan Island
Zak Speer, San Juan Island
Jodi Spitali, Orcas
Drew and Chelsea St Pierre, Orcas Island
Chad Stevens, San Juan Island
Cindy Stewart, San Juan Island
Edwin Stewart, San Juan Island
Paula Sundstrom, San Juan Island
Debra Sullivan, San Juan Island
Bobby Tagney, San Juan Island
Stacie Tangney, San Juan County
Mitch Taylor, San Juan Island
Rob Thesman, Lopez Island
Burke Thomas, Orcas Island
Barbara Thomas, Orcas Island
Hyon Su Thomas, Friday Harbor
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Edith Thomsen, Orcas Island
Rick & Emily Tidball, Orcas Island
Laura Tisdale, Orcas Island
Debra Tonachel, Orcas Island
Amy Traxler, San Juan Island
Paula Trost, San Juan Island
Melanie and Thomas Tucker, Orcas Island
Ruth Vandestraat, Orcas Island
Pamela Van Vleet, Lopez Island
Kimberly Ashley Vowell
Matthew and Dawn Waite, Friday Harbor
Leasa Wangoe, San Juan Island
Jennifer and Chris Walsh, Orcas Island
Susan & Gary Waters, San Juan Island
Judi Westlund, Lopez Island
Jennifer Whalen, San Juan Island
Greg White, Orcas Island
Tiffany White, San Juan Island
Darcy Whittier, Orcas Island
Kim Wickman, San Juan Island
Janice Williams & Greg Sawyer, Orcas Island
Pamela Williams, San Juan Island
Toni Willis, Orcas Island
Bruce A. Wilson, Orcas Island
Susan York, San Juan Island
Jim Young, San Juan Island
Terri Zambrovitz, San Juan Island
Wei Zhang & Jenny Shih, San Juan Island