

Erika Shook

From: Erika Shook
Sent: Tuesday, February 23, 2021 8:36 AM
To: Council Public Comment
Subject: FW: Vacation Rental Moratorium

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Subject: Vacation Rental Moratorium

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20 February 2021

Dear Council Members,

In reaction to the hastily enacted January 2021 vacation rental permit moratorium, please consider the views and alternative perspectives outlined below.

The Council's action was based on deeply flawed beliefs as evidenced by the 'facts' used to justify imposing the moratorium. Establishing such a position and acting on it without complete and relevant information is an alarmingly irresponsible exercise of governing power. Acting in this manner only serves to divide our communities by wielding the tried and true political tactic of class warfare.

Demonizing the very businesses and individuals that create revenue and support our islands will do nothing to solve the bigger issue that is conveniently being ignored by this Council, that is, economic vitality and lifestyle affordability. Council imposed the moratorium without consulting local businesses and individuals who own VR properties or providing accurate data. We find Council's behavior deplorable, irresponsible, and divisive. Today, we want to make sure we set the record straight and expose the flaws in what Council believes to be true.

Had Council sought alternative perspectives, they would have learned about and heard the stories of several hundred VR owners who care deeply about our island home. We contribute our time and talent to be an

integral part of our communities through volunteering, patronage of local restaurants and businesses, and sharing the beauty of San Juan County with our families, friends, and guests. **Additionally, you would have current, relevant data to clearly show that the premise behind proposing the moratorium in the first place was fundamentally flawed.**

This is our story.

We purchased our first home on San Juan Island in 2013. Our first visit to the San Juan Islands was in the 1980s and the notion of living here full time seemed like a dream. To afford that first home, we needed to offset the mortgage by generating revenue. **The cost of the home, size of the mortgage, and revenue from a long term rental simply didn't add up. ... likely an aspect of 'affordability' that Council has not considered. The key point is that the home was not at a price point that would be considered affordable for most working families - and it wasn't for us either - except for the fact we could use it as a VR to offset the mortgage.** Further, the home was on the market for several years with a price drop of 40% from the original asking price. The owners were trying to cash out of their investment so they could move on with their lives. That home 'trapped' them, in a manner of speaking, while they awaited a buyer.

We had great success with that vacation rental as it was located near Roche Harbor and had a constant stream of visitors during the high season. We went to lengths to get to know our neighbors and empowered them to share any concerns or grievances with us AND to address any issues with guests directly. Our rules regarding noise were strict, stating that if our neighbors had any complaints, they were free to act on our behalf. We had a one strike rule, if neighbors notified guests of an issue and the guests did not adapt, we would terminate their rental contract with no refund. On the other hand, we took great pains to ensure our guests were treated extremely well, and we received four straight years of 5 star (top) ratings on VRBO. Guests loved the house, were respectful of our neighbors, our home, and the island. Several returned with their families in subsequent years. *We did not receive a single complaint from our neighbors - one of our primary goals.* And this was a VR owner taking these steps BEFORE the restrictions and compliance action began in 2018. **Sometimes, citizens just do the right thing for their community without the government mandating it.**

After two years of success and the confidence that this was a viable way to pave the path to our permanent life on the island, we began looking for another home. Our criteria were simple. Find a home that had a good VR track record, in an area that had strong appeal for tourists, and at a price point where we could come close to making the mortgage with rental income. And hopefully a motivated seller.

We purchased a second home with a guest cottage three years later in 2016. The home had been owned by a single woman in her 80s who had been trying to sell the home for four years without success. There simply were few prospective buyers due to the price point. As before, this home would not be considered 'affordable' for most working families and the owner was 'trapped' on the island, in declining health, and really needed to be off island with her family. Finally, the daughter put her foot down and told the realtor 'I'm coming to get my mom. Find a buyer and get rid of the home.' It was listed at a price point we could (barely) afford and once again we took a leap of faith on an opportunity.

Last year, when Covid changed the world, we sold our home in Seattle and made the move full time to the island. We moved into the second home and now rent the cottage. Guests continue to marvel at the beauty of the islands and have amazing experiences. The revenue from the cottage helps us pay for college tuition, support our disabled child who lives with us, and give care to one of our aging parents.

We love this island, love our neighbors, are generous with supporting local businesses, two local non-profits and several local artists. We employ landscapers, local general contractors, construction workers, handymen, and domestic help. Our guests come here and spend money at our restaurants, art galleries, shops, and other tourist activities.

Our story isn't unique. We personally know six other VR owners on San Juan Island who are friends as well as neighbors. As a collective, we are a proud set of personal ambassadors for this county. In hearing the stories

of other owners, our common purpose is the hope for some financial security, an income stream to offset a high cost of living, the joy of delivering a positive island experience for tourists and guests, and a love for this place we call home. The reality is that individuals in our age demographic can't rely on social security in our later years, so we have to find ways to support ourselves as we grow older. Jobs disappear, the unthinkable happens, Cost of Living continues to increase. We're doing what we can to ensure our independence as we retire, as will other potential VR owners who will follow in our footsteps. As evidenced by the data our VR Owners group shared with the council, Vacation Rentals are not the cause of our affordable housing challenge!

We aren't the 'greedy rich.' We bought homes no one else wanted and turned them into a way for us to achieve our dream to live on this island. Along the journey, we've been able to support our community and local economy while giving guests memories that will last a lifetime.

As elected officials your duty is to represent and serve all your constituents. Your responsibility is to find thoughtful solutions to our community challenges, ie, promoting economic vitality and affordable housing. Please stop demonizing this narrow segment of our community and place your focus where it is needed, perhaps using the tax dollars generously provided from our vacation rentals as a place to start.

Let's get to work.

Steven and Bev Carleton
San Juan Island

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