

Adam Zack

From: Lynda Guernsey
Sent: Thursday, August 19, 2021 3:32 PM
To: Vacation Rental Comments
Subject: FW: Part 2: A Resident Realtor's Thoughts on Transient Rentals

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From: Sandi Friel <sandi@rockisland.com>
Sent: Thursday, August 19, 2021 3:21 PM
To: Lynda Guernsey <LyndaG@sanjuanco.com>; San Juan County Council <councilvm@sanjuanco.com>
Subject: FW: Part 2: A Resident Realtor's Thoughts on Transient Rentals

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From: Sandi Friel [<mailto:sandi@rockisland.com>]
Sent: Thursday, August 19, 2021 3:19 PM
To: 'vrcomments@sanjuanco.com'
Subject: Part 2: A Resident Realtor's Thoughts on Transient Rentals

Dear Planning Commission members,

First I want to clarify that I support the recommendations proposed in the letter located sent to you on 11 August 2021 from David Turnoy and others regarding the establishment of caps on Vacation Rental Permits (VRPs) in San Juan County (SJC).

I support:

- Existing and new transient rental permits **ending** when the property is sold; an existing permit is a temporary business license for the owner, not running with the land.
- Close the loophole that currently exists for those transient rental permit holders who did not complete their compliance certification in time being allowed to rent their properties.
- Fully fund and staff enforcement.
- No transient rental permits issued for new or recent development. Do not incentivize new development.
- Continue to allow new transient rental permits (with the capped limit) for owners who live on site, i.e. renting a room in their house or renting a permitted yurt or guesthouse on site. This needs to be the owners full time residence with the owners on site during the rental period.
- For absentee/2nd homeowners, no new transient rental permits.

- All permits to have an expiration date, not longer than 3 years.
- The county to verify that transient rentals are allowable in the neighborhood CC&Rs and any other private deed restrictions prior to approving the permit.
- Regardless of location, require all transient rentals on private roads and/or private wells or water systems to obtain a Conditional Use Permit, subject to public hearings, rather than an administrative Provisional Use Permit. Consider that valid public opposition within the neighborhood of private roads or joint users of the private water system should be cause in denial of the permit.
- Allow compliance complaints to be submitted anonymously (this should be the same for all code enforcement issues as we live in a fishbowl).

Next, I'd like to share some of my experiences as a Realtor here on Orcas.

- In scheduling to show a home (which had a transient rental permit) in July 2020, during the Covid lockdown, there were 11 guests checking out of the home which is served by a 2-bedroom septic system. Clearly there is insufficient enforcement.
- I vividly recall the day in August of 2019 during the realtor caravan when we brokers were grouped into a living room of a 4-bedroom waterfront home in a quiet residential neighborhood on the east side of Orcas. The listing broker, who was also the owner of the property and owner of a vacation rental management business, began by announcing: *"What we are selling here is not a home. It is a business. This is the highest grossing vacation rental in San Juan County."*
- For homes that are marketed with transient rental history, Gross/Net Income and Profit and Loss Statements are always provided. Additionally, turnkey furnishings are almost always provided with active rentals, and a website and built-in customer base are often provided. This clearly signals that these residential properties are being used as and marketed as a business. If they are owned by offsite owners as an income-generating investment, it is not a residential use of the property and should not be allowable within residential zoning.
- Homes with transient rental permits usually list and sell for more money, which contributes to an accelerated rise in values and prices. Ending the permit when a home sells will help mitigate that as well equalize competition without favoring those who would be grandfathered.
- Homes adjacent to active transient rentals are harder to sell to people who want to become contributing members of our community. So over time, as more transient rentals have been approved within a geographic area, the neighbor shifts towards appealing to additional investors vs residents. But, our tiny communities rely on philanthropy and volunteerism and need caring residents to support these programs. Without a cap on transient rentals, I fear many support systems will eventually be lost or need to be provided by public agencies and funded through tax dollars.
- Case in point: In talking with an 84-year old gentleman yesterday in the Rosario Highlands who I had sold the home to in 2016, chiefly because he was attracted to the quiet close-knit neighborhood, I asked if he's still pleased with the house and neighborhood. He said all except for "that" – and angrily pointed across the street to a newly constructed house (completed in 2020) which was just last month approved for a transient rental permit. This will be the fifth on his small street, all but one permit was issued within the last two years. He's distressed that instead of having neighbors, there will be a revolving door of strangers. The character of his neighborhood is fast-changing and number of neighbors able/willing to lend a helping hand has diminished.

I do enjoy staying in vacation rentals when I travel to a new place for an extended period of time. However, when there are no hotel rooms or vacation rentals available for the time/place I would like to go, that means it is “full” for tourists and I respect that. We need to determine what “full” is for each of our islands. The general sentiment from those I’ve talked to, the public comments I’ve read, and the 2017 and 2019 resident/business/visitor surveys I reviewed, is that we have surpassed “full”, particularly on Orcas Island. Tourists make up a small slice of the population, but it’s a more impactful slice – they’re here for a limited time and understandably want to make the most of their stay. So they often make multiple car trips in a day, visit trails in groups, bike in groups on narrow dangerous roads, book out the restaurants, clear out the grocery shelves. Tourism is necessary but too much is negatively impactful for the residents and voters of this county. Please find a way to cap it and reverse the trend, especially given the building boom that’s headed our way. When determining caps, please also consider that we already have tourist development that has already been pre-approved in activity centers which, when realized, will increase tourism numbers, such as the Rosario Resort master plan expansion on Orcas.

Thank you for your consideration.

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