

# HOSTING ON THE ROCK - POSITION STATEMENT

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*Hosting on the Rock Mission Statement:*

*Short term rentals are a worldwide phenomena. As island hosts we want to serve our guests while preserving peaceful neighborhoods, our livelihoods and the beauty of the islands.*

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Our primary conclusions:

## **1. San Juan County Restrictions**

*Fact:* In 2018 the county put a series of restrictions in place for VR permits in response to neighborhood concerns. These (strict by national standards) regulations establish quiet hours, occupancy limits, limits on visitors, guidelines on trespassing, safety requirements, septic inspection timelines, and more. Owners are required to have an on-island person available to respond immediately to nuisance complaints. An annual fee and compliance reporting were added to already existing permit fees. We are just now seeing the positive results of these restrictions. For instance, of the 1,000+ permits, 370 of them are now non-compliant (and yet because of enforcement issues, are still providing transient housing).

*Requested Action:*

- Acknowledge these strict restrictions
- Educate island residents that they exist and are for their benefit
- Above all, wait until the effects of these changes bear fruit before adding additional restrictions.  
We must stop the non-compliant listings from renting before we determine that there are too many VRs.

## **2. Affordable Housing Connection**

As a former Assistance Director of the Lopez Community Land Trust, let's first define "Affordable Housing". Affordable Housing providers (like OPAL, LCLT and Homes for Islanders) are non-profit organizations that use subsidies and private donations to lower housing costs for residents who meet income requirements. A second type of year-round housing is provided by SJC landlords who rent their properties to working island residents. These landlords rent out their property for profit and do not need to place limits on their tenants' income. However, it's important to know that the average working resident can afford around \$1500/month for their housing (based on island, income level, expenses, etc.) Maybe we can call this "housing affordable to working residents". These are two different housing rental types and the distinction is important to this discussion.

*Fact:* VRs do not significantly reduce the number of year-round rental houses available to working residents. A 2015 Housing Study showed 7% of SJC houses are VRs, 16% are year-round rentals, 36% are vacant, and the remaining are owner-occupants. The islands have been a vacation destination for over 50 years. People who live in nearby cities want second homes here that they can use on weekends and in the summer; hence the 36% 'vacant' homes. When the number of VRs is reduced, the number of vacant homes increases. Rental housing affordable to working residents does not increase. Unless a home is given, trusted or sold to a housing non-profit (all extremely rare), VRs do not transition to being true Affordable Housing.

*Requested Action:*

We can all agree that we need both more Affordable Housing and housing that is affordable to working residents. Let's dig into this and find some viable solutions, such as:

- Find a way to 'subsidize' property owners currently owning the 36% vacant homes, so that renting them year-round is a viable alternative.
- Educate property owners how to minimize the risks of providing year-round rental housing.
- Allow and promote the construction of high-density small low-cost housing units for seasonal workers.
- Involve business owners who need seasonal workers in the responsibility of providing housing.

### **3. Corporate Owner Myth**

*Fact:* It is not the case that mainland corporations have bought properties here on the islands and run them as VRs. The vast majority of VRs are owned by one island resident or family, which sometimes use an LLC designation for asset protection purposes. We are professional micro-business owners who need the income to live on the islands. In addition to providing a lodging tax to other island non-profits with every reservation, we also employ local housekeepers, landscapers, construction workers and other service providers.

Vacation rentals have been the conduit for many middle income families to be able to afford to buy and support homes that might otherwise be owned only by the wealthy elite, who are able to leave their homes vacant for much of the year. VRs provide a way to ensure the islands have a diverse income profile rather than a large gap between wealthy and poor, as VRs ownership means middle income people can afford to live here.

*Requested Action:*

- For the future, put guidelines in place that limit VR permits by off-island residents. \*\*This will likely have the effect of increasing year-round rentals affordable to working residents.\*\*
- Do not limit ownership for island residents, as residents have limited ways of supporting ourselves, and the working middle class must be supported.
- Encourage VRs located in primary residences.

### **4. Neighborhood Complaints**

*Fact:* Emotionally-driven stories of noise, trespassing, excessive water use, and the oft-mentioned "Party Houses" have helped to vilify VRs. We agree that no island resident likes this behavior from neighbors, whether the neighbors are residents or tourists. These concerns are worldwide, and specific responses have been developed to combat each of these issues. Some thoughts:

- Regarding noise: indoor and outdoor units can be purchased to monitor noise and alert the VR owner. Or, a local can be hired to investigate each complaint immediately to determine that the noise is occurring and is in fact a permitted VR.
- Large events: large events such as weddings are not allowed under the 2018 VR restrictions, as both overnight guests and visitors are limited according to the number of bedrooms in the property. Large events are not technically VRs, yet this distinction is not generally made, and instead VRs are blamed.
- 2018 restrictions: several neighborhood complaints are specifically addressed by requiring VR hosts to post House Rules. This unique feature of VRs - the communication we have with our guests before, during and after their visit - is not common in other venues like campgrounds and hotels. VR owners educate our guests about our neighborhoods and natural resources, and encourage respectful behavior. This is highly effective at modifying guest behavior.

*Requested Action:*

Let's identify the concerns, acknowledge what has already been put in place to address them, and work to increase the effectiveness.