





# SAN JUAN COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT

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## MEMO

**REPORT DATE:** March 4, 2022  
**TO:** San Juan County Planning Commission  
**FROM:** David Williams, Department of Community Development (DCD) Director   
Sophia Cassam, Planner II   
**SUBJECT:** 2036 Comprehensive Plan Update  
Element B.5 Housing  
**DISCUSSION:** March 18, 2022  
**ATTACHMENTS:** A. Draft Element B.5, Housing

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### PURPOSE

To provide the draft Element B.5 Housing (Housing Element) to the Planning Commission for their March 18, 2022, discussion on the topic of housing. To review and make edits to the draft Housing Element to prepare a public hearing draft.

### PUBLIC COMMENTS

Please send all public comments to [compplancomments@sanjuanco.com](mailto:compplancomments@sanjuanco.com). Please do not copy the County Council, Planning Commission members, or County Staff. Written public comments received by 12pm on March 17 will be provided to the Planning Commission prior to the meeting. Please focus public comments on the issues and options contemplated in this report.

### BACKGROUND

The aim of the Housing Element is to meet the projected population's housing needs during 2036 planning period and beyond. The Housing Element includes goals and policies that will guide County development regulations and programs from a high level. In 2018, the County and community developed new language for the Comprehensive Plan Vision regarding housing. Together, the Housing Element goals and policies intend to make the Vision reality. The 2018 Vision states:

“Adequate, safe, affordable, and stable housing helps our community thrive. There are diverse housing types and we use innovative strategies to meet the various housing needs of our community.”

The Planning Commission began working on the pre-hearing draft of Housing Element in 2019. The current draft Housing Element incorporates work from a variety of parties, including staff, the County Council, the Planning Commission, the Housing Advisory Committee, the Agricultural Resources Committee, affordable housing non-profits, and the general public. In 2019 and 2020, Planning Commission received many public comments on the Housing Element, particularly on the goals and polices. Much of the public feedback was

incorporated into the draft and is reflected in the draft goals and policies found starting on page 15 in Attachment A.

The existing Housing Element was adopted in 2009 and contains dated information which will be repealed and replaced by the new draft Element. The 2009 Housing Element is available to view online here: <https://www.sanjuanco.com/DocumentCenter/View/1051/>. The data and analysis informing the new draft Housing Element was drawn from the Housing Needs Assessment (HNA), Appendix 5 in the *Plan*, which has gone before the Planning Commission on four occasions. The HNA is a data-driven analysis of housing, based on recent conditions and population projections. The HNA revealed the critical housing issues that the *Plan* should address through the Housing Element goals and policies, which shape County regulations and programs. The goals and policies in this Element cover a range of topics, but focus primarily on the following:

- Ensuring permanently affordable units for residents;
- Promoting year-round rentals for residents as opposed to seasonal rentals;
- Creating support for first time-home buyers;
- Supporting multi-family development in Urban Growth Areas and Activity Centers designated for higher density;
- Promoting a diversity of housing opportunities;
- Improving substandard housing; and
- Supporting affordable housing projects by non-profits.

The Planning Commission's most recent Housing Element discussion took place on October 8, 2021, when they reviewed "loose ends" brought forward by staff. The discussion topics comprised of possible policy responses to two development code changes requested during the 2020 Docket. The first request was brought forward by Homes for Islanders and was regarding the allotment of moderate vs. low-income affordable housing units that can be built when taking advantage of affordable housing incentives. The second request was brought forward by John Campbell and was regarding the definition of affordable housing. In 2020, the County Council had directed staff and the Planning Commission to consider these requested changes during the Comprehensive Plan update process. The Planning Commission's October 8, 2021, recommendations are reflected in the draft Housing Element in Goal 7, Policies 3 and 5 (Attachment A).

## **PROPOSED POLICY FOR HOUSING DEVELOPMENT BY PUBLIC SECTOR EMPLOYERS.**

The draft Housing Element includes a new policy proposed by DCD to support housing development by public sector employers. Policy 6 in Goal 7 proposes to;

*Encourage public sector employers (such as the Town of Friday Harbor, San Juan County, school districts, fire districts, etc.) to provide for affordable housing options for their employees utilizing lands currently owned and operated by those entities.*

In reviewing the draft Housing Element, it was noted that there were no goals or policies directly related to public sector employers to help with affordable housing options for their own employees. The intent behind this policy is to help encourage public sector employers to think creatively and act in a cost-effective manner to address affordable housing by utilizing lands owned by the respective entity. It is intended to provide policy direction that these entities should make conscious planning decisions to address their employee housing needs.

## **HOUSING ADVISORY COMMITTEE INPUT**

DCD reviewed the draft Housing Element with the Affordable Housing Coordinator, Ryan Page, and the Housing Advisory Committee (HAC) in 2019 prior to working on the draft with the Planning Commission. The draft the Planning Commission reviewed and commented on included edits to the goals and policies from the HAC. The HAC is currently reviewing the draft and will provide a second round of edits prior to the March 18 meeting for the Planning Commission's consideration. Ryan Page plans to be at the meeting and can answer Planning Commission questions about County affordable housing strategies and programs.

## **NEXT STEPS**

After the Planning Commission makes its edits to the draft Housing Element, the draft will become the "public hearing draft." This is the draft that will be brought forward at the Planning Commission's public hearing on the Comprehensive Plan. At the public hearing, the Planning Commission will hear public testimony and, after deliberations, make its final edits to the Housing Element draft to be recommended to the County Council.

**COMPREHENSIVE PLAN**

**SECTION B, ELEMENT 5**

**DRAFT  
HOUSING ELEMENT**

~~December 17, 2019~~

~~January 6, 2021~~

~~September 16, 2021~~

**March 3, 2022**

# Housing Element

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1 **5.1 INTRODUCTION**

2  
3 The County’s Comprehensive Plan (*Plan*) Vision 2036 states:

4  
5 *“Adequate, safe, affordable, and stable housing helps our community thrive.*

6  
7 *There are diverse housing types and we use innovative strategies to meet*  
8 *the various housing needs of our community.”*

9  
10 This Vision identifies housing as a foundational human need, necessary to create the vibrant and diverse  
11 community we envision. In addressing the challenge of housing the County’s people, it is essential to do  
12 so in a manner that protects the natural environment, suits the character of the islands, respects private  
13 property rights, and addresses unique island obstacles. The islands face specific challenges, such as a  
14 shortage of consistent skilled labor, high material costs, and the imperative of preserving rural character.

15  
16 Meeting current and future housing needs is an issue with substantial social, economic, and  
17 environmental implications. Extensive housing development in rural areas could be detrimental to natural  
18 resources and the environment, and could alter the San Juan Islands’ sense of place. Sprawling, low-  
19 density development would jeopardize San Juan County’s rural character. The choices we make today  
20 have the potential to have a lasting long-term impact on the community.

21  
22 Two overarching challenges San Juan County faces are availability and affordability of housing. By 2036  
23 there are projected to be 9,521 households and 18,059 housing units in the county. While there appear  
24 to be more than enough units to house everyone who lives here, there are not enough units actually  
25 available for purchase by low and moderate income people or rentals for long-term or seasonal workers.  
26 Available units are often not affordable to those who rely on wage incomes in San Juan County. The  
27 County, its Housing Advisory Committee and housing non-profits can increase opportunities for affordable  
28 housing and set the stage for affordable housing efforts by non-profits and private developers to be  
29 successful.

30  
31 The Housing Element is meant to guide plans for the existing and projected housing needs of all the  
32 County’s people. It identifies the expected resident population, provides an inventory and analysis of  
33 existing housing, and identifies housing needs based on both current conditions and projected growth.  
34 The goals and policies are actionable and reflect the County’s and community’s priorities. Appendix A.5,  
35 the Housing Needs Assessment (HNA), provides more detailed information on population and housing  
36 characteristics and projections.

37  
38 **5.2 RELATIONSHIP TO OTHER PLAN ELEMENTS**

39  
40 The Housing Element is both a stand-alone document meant to guide the implementation of housing-  
41 related actions in the County, and a supporting piece of the *Plan* as a whole. It is closely tied to other  
42 planning elements such as land use, economic development, and capital facilities. The data and findings  
43 that support the Housing Element, including the Housing Needs Assessment (Appendix 5), the Land  
44 Capacity Analysis (Appendix 1), and Population Projection (Appendix 1), also inform other elements of the  
45 *Plan*.

1 The Housing Element not only supports the housing Vision, but also the other parts of the Vision. For  
 2 example, the housing policies in this Element support the Land Use Element’s vision of conserving rural,  
 3 agricultural and resource lands, protecting critical areas, and maintaining rural character. It relies on the  
 4 Economic Development Element’s vision of stable jobs that “provide wages that allow islanders to live,  
 5 work and thrive locally,” and is an important contributing factor to a diverse and resilient economy. The  
 6 Housing Element is a key part of the Basic Human Needs vision of the islands being a place where all  
 7 people are safe, day and night. The Elements of this *Plan* are closely intertwined and both support and  
 8 rely on each other’s ability to accomplish their Vision statements.  
 9

### 10 5.3 POPULATION AND DEMOGRAPHICS

11  
 12 In planning for present and future housing needs, it is essential to identify the population for whom the  
 13 County is planning. The County bases its housing policies on housing needs, which depend greatly on  
 14 projected population growth and demographic factors such as age and socioeconomic status. Population  
 15 projections are in Appendix A.1.  
 16

#### 17 Projected 2036 Population

18  
 19 As noted in Table 1 below, San Juan County’s population in 2016 was 16,314 people. By the year 2036 it  
 20 is projected to increase about 19 percent to reach 19,423 people. Past population projections  
 21 overestimated the County’s growth, anticipating a population of 19,150 people by 2015. Population  
 22 growth is largely due to in-migration, rather than natural increase. The majority of the County’s  
 23 population lives on San Juan, Orcas and Lopez islands, while the remainder live on Shaw Island and non-  
 24 ferry served islands. The largest population center is Friday Harbor, San Juan Island, the County’s one  
 25 incorporated town, with a population of 2,250 people. Friday Harbor is projected to increase by 902  
 26 people by 2036 to a population of 3,152. There are also population hubs in the Lopez Village and  
 27 Eastsound Urban Growth Areas, and the villages, hamlets and subareas on the islands. The projected  
 28 increase in population will require strategic action to accommodate growth.  
 29

30 **Table 1. San Juan County Population Growth by Island and Housing Units 2036.**

Island	2016 Population	% of Total County Population (2016)	2036 Population By Island	% Population By Island (2036)	Pop Growth by Island	Total # New Housing Units**	New Housing Units in UGA
San Juan Island (unincorp.)*	5,560	34.1%	6,146	31.6%	586	287	-
Friday Harbor*	2,250	13.8%	3,152	16.2%	902	442	442
San Juan Island Subtotal	7,810	47.9%	9,298	47.9%	1,488	729	442
Orcas	5,395	33.1%	6,423	33.1%	1,028	504	252
Lopez	2,466	15.1%	2,936	15.1%	470	230	115
Shaw	241	1.5%	287	1.5%	46	23	0
Total Ferry Served	15,912	97.5%	18,944	97.5%	3,032	1,486	809
Total Non-Ferry Served	402	2.5%	479	2.5%	77	38	0
<b>Total</b>	<b>16,314</b>	<b>100.0%</b>	<b>19,423***</b>	<b>100.0%</b>	<b>3,109</b>	<b>1,524</b>	<b>809</b>

1 Source: U.S. Census, OFM annual estimate.  
 2 \*1.7 percent annual population growth rate attributed to the Town of Friday Harbor from personal correspondence with the Town of Friday  
 3 Harbor's Land Use Administrator, Mike Bertrand, on March 9, 2017.  
 4 \*\* Population growth ÷ average household size (2.04)  
 5 \*\*\*19,423 ÷ 2.04 = 9,525 total households County-wide projected for year 2036

6  
 7 **Seasonal Population**

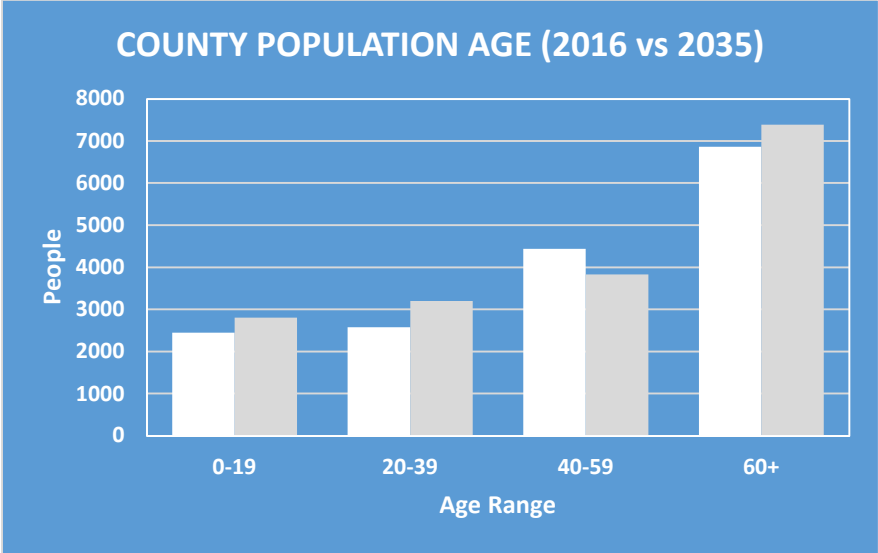
8  
 9 San Juan County's population size varies throughout the year. There are a significant number of seasonal  
 10 residents and visitors in addition to year-round residents. The *2018 San Juan Island Visitors Study (Study)*,  
 11 based on ferry ridership patterns during the year, found that the daily population balloons during the peak  
 12 season of June through September. During the 2017 peak season, there was an estimated daily average  
 13 of 24,810 people in the County, while the population during the off-season was estimated at 16,314  
 14 people. The Study projects the peak season population to be between 27,810 and 29,810 people by 2036.  
 15 This *Plan* considers not only the growth of the Islands' year-round resident population, but also the growth  
 16 of the seasonal and visitor population.

17  
 18 **Age**

19  
 20 Understanding the population's age distribution can help the County  
 21 anticipate future housing needs. Figure 1 shows the estimated  
 22 distribution of median age between 2016 and 2035. The median age  
 23 of the County's population increased from 47 years old in 2000 to 54  
 24 in 2015. This means that half of the population in the County is 54 years or older. By comparison, the  
 25 State median age is 37. An increase in median age indicates an aging population. The skewed older age  
 26 of the population in San Juan County affects the types of housing needed, as well as the population's  
 27 income sources. San Juan County's population has a high proportion of people over 60 years of age. The  
 28 median age is increasing over time, indicating that the overall population is aging.

**State median age: 37 years**  
**SJC median age: 54 years**

29  
 30 **Figure 1. Current and Projected Population by Age.**



**White: 2016 population**  
**Grey: 2035 population**

31  
 32 Source: WA OFM GMA 2012 Intermediate Projections

33  
 34

1 **Income**

2

3 Income affects the affordability of housing. Many households acquire their income from sources outside  
4 the County, driving up home values and outpricing those who rely on wages earned on the islands. In  
5 2015, San Juan County had the second highest per capita income in the State of Washington, at \$60,489  
6 in 2015, compared to the State average of \$47,381 (Figure 2). However, the average annual wage income  
7 in the County was well below the State average, at \$33,890 (Figure 3). Reflecting an elderly and likely high  
8 percentage of retired residents, the majority of income in the County is from property income, as opposed  
9 to income earned through wages. Transfer payments are also an important source of personal income  
10 for County residents.

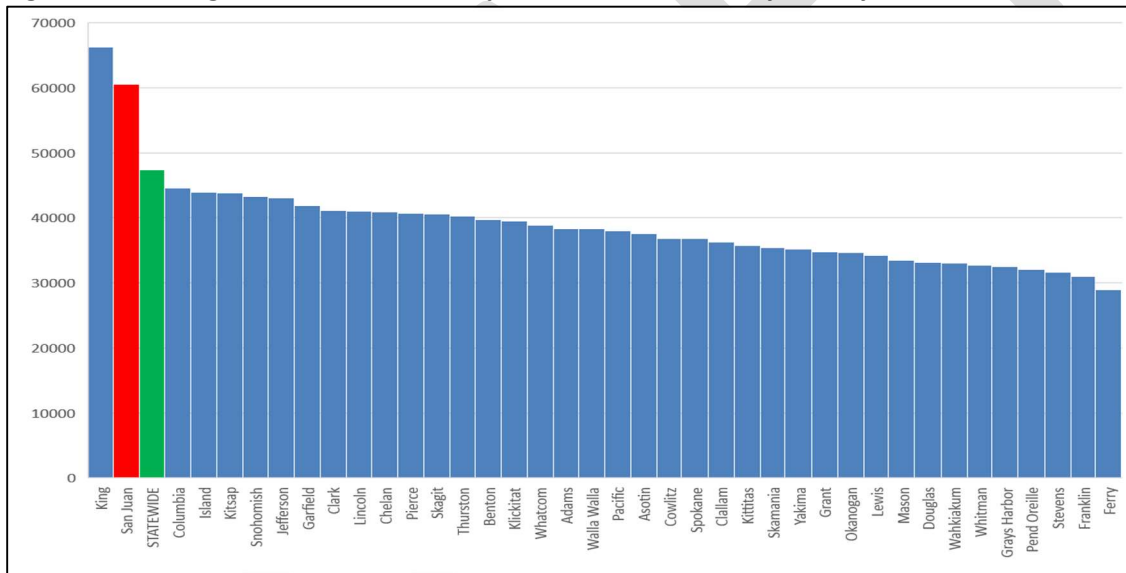
11

12 With a low average annual wage income, many people in San Juan County live at and around the Federal  
13 Poverty Level (FPL), despite the County's high per capita income. In 2016, 11 percent of households in  
14 the County were living below the FPL, and an additional 22 percent were just above the FPL but could not  
15 afford a basic household budget. Meeting basic needs such as housing, food, childcare, transportation  
16 and healthcare, is highly challenging for about one third of the County.

17

18

**Figure 2. Washington State Real<sup>1</sup> Per Capita Personal Income by County, 2015.**



19

20

21

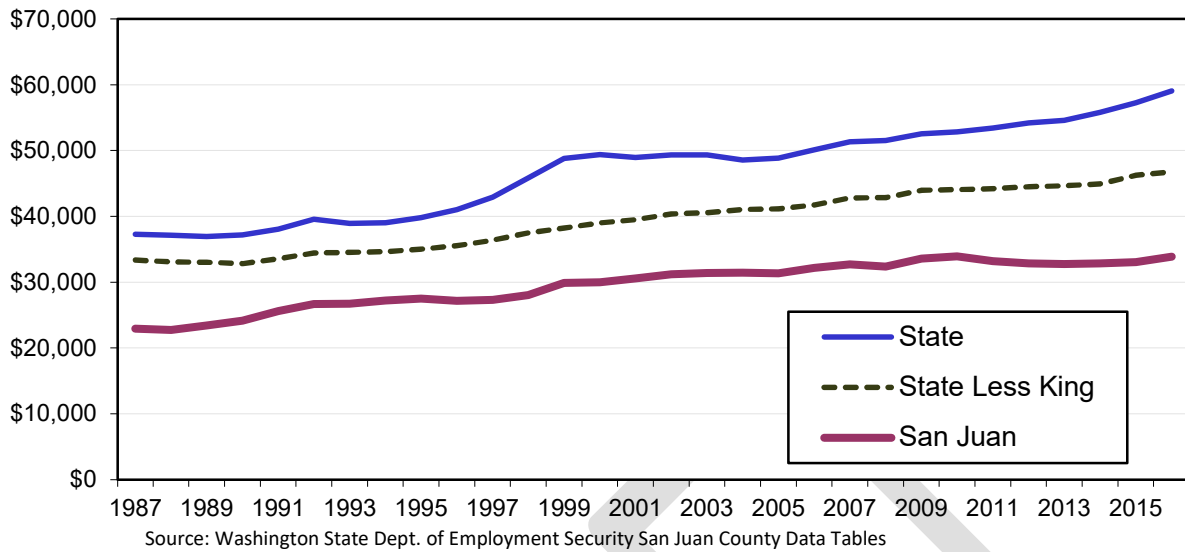
22

23

Source: Calculations by the Washington Regional Economic Analysis Project (WA-REAP) with data provided by the U.S. Department of Commerce, Bureau of Economic Analysis

<sup>1</sup> Real per capita personal income determined using the Chain-Weight Implicit Price Deflator for Personal Consumption (2009=1.00).

1 **Figure 3. Average Annual Wage, Adjusted for Inflation, 1987 - 2015.**



2  
3  
4

5 Average Annual Wage in San Juan County has consistently been well below the state average.

## 6 5.4 HOUSING PROJECTIONS AND INVENTORY

7

### 8 **2036 Housing Projections**

9

10 By assessing the housing inventory in the San Juan Islands for factors such as housing stock, cost, occupancy status, and housing condition, the County can identify more specifically where there is need. This provides a starting point when working to meet the Vision and fulfill future needs. Housing stock refers to the number of housing units in the County. In 2016, there were 13,859 housing units—an increase of 3,867 units from 2000. Based on the 2036 population projection there will need to be an additional 1,524 units by 2036 in order to adequately accommodate an expected total of 9,521 households (Table 1). Here, “households” refers to all the people who occupy a housing unit as their primary residence. By 2036 there are expected to be 4,180 new housing units for a total of 18,059 units, based on past building permit data. Many of these units will likely be considered vacant, the majority of which will be used for seasonal, recreational or occasional use. The HNA provides housing projections at the island level.

21

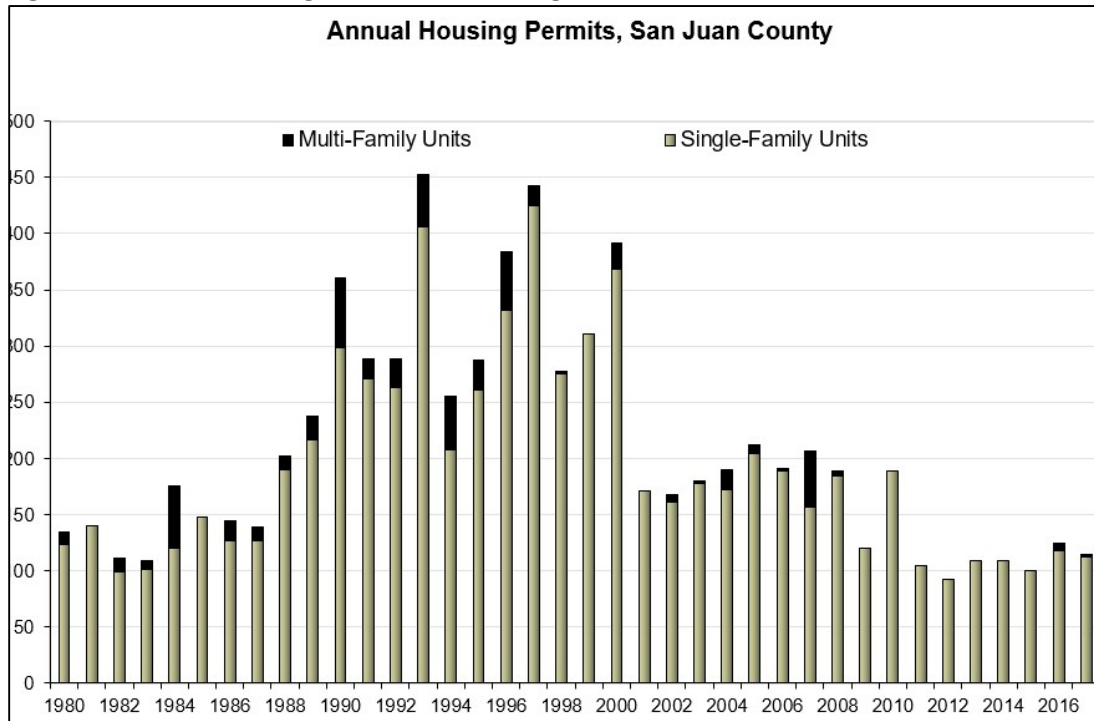
### 22 **Housing Type**

23

24 The HNA indicates that San Juan County has a lack of diversity of housing types with sparse numbers of multi-family units, which are often more affordable than stand-alone single family residences. This limits rental availability and is linked to housing affordability for those unable to afford to purchase a home. Figure 4, below, shows that few permits for multi-family housing units have been issued, particularly since 2009. No multi-family building permits were issued between 2009 and 2015. In 2016, 83 percent of housing units in the County were single-unit and stand-alone, 6.7 percent of housing consisted of two or more units, and 10.3 percent were mobile homes or special units.

30  
31

1 **Figure 4. Annual Building Permits for Housing, 1980 - 2017.**



2 Source: WA Employment Security Department

3 **Housing Condition**

4 Overall, the housing units in the County are newer and in good condition. Many of the County’s housing  
 5 units (45 percent) were built after 1990. Only 19 percent of units were built before 1970. Census level  
 6 data on the condition of living quarters is limited, but according to the American Community Survey, the  
 7 number of occupied housing units lacking complete plumbing facilities increased in the County from 1.7  
 8 percent in 2010 to 3.2 percent in 2015. The rest of the State remained flat at 0.5 percent over this period.  
 9 Additionally, occupied housing units lacking complete kitchen facilities doubled from 0.9 percent in 2010  
 10 to 2 percent in 2015 while the rest of the State has remained static.

11 According to the local family resource centers, there has been an increase in the number of families living  
 12 in substandard housing with poor conditions such as trailers or recreational vehicles. They find it is  
 13 common for people to live some or all of the year in tents. Also, the largest percentage of respondents  
 14 to the County’s 2017 Point in Time Homeless Count were those living in substandard structures.

15 **Occupancy Status**

16 Table 2, below, regarding occupancy status provides insight on how many vacant and owner or renter  
 17 occupied units there were between 2000 and 2010 and in 2015. In 2015 the County had 40 percent owner  
 18 occupied housing, 16 percent renter occupied, and 43 percent vacant. Vacant housing includes units used  
 19 for seasonal, recreational or occasional use. The San Juan Islands’ status as a vacation destination affects  
 20 the occupancy demographics of housing units in the County, as many of the vacant homes have out-of-  
 21 county owners and are used only seasonally and/or as vacation rentals. According to the 2015 American  
 22 Community Survey, homes for seasonal, recreational or occasional use make up 81 percent of vacant  
 23 homes in the County. San Juan County’s housing challenge is not necessarily due to a sheer lack of housing  
 24 units, but rather, a lack of units available for year-round residents to purchase or rent affordably.

1 **Table 2. San Juan County Housing by Occupancy.**

	2000 Census	2010 Census	Change from 2000 - 2010	2015 ACS
<b>Total housing units</b>	9,752	13,313	<b>+3561</b>	13,619
Owner occupied	4,754	5,360	<b>+606</b>	5,507
Renter occupied	1,712	2,253	<b>+541</b>	2,201
Vacant housing units	3,286	5,700	<b>+2414</b>	5,911
<b>Percentage of Total</b>				
Owner occupied	48.75%	40.26%	<b>-8.49%</b>	40.44%
Renter occupied	17.56%	16.92%	<b>-0.63%</b>	16.16%
Vacant housing units	33.70%	42.82%	<b>+9.12%</b>	43.40%
<b>Vacant Housing Unit by Type</b>				
For seasonal, recreational, or occasional use	2,776	4,748	<b>+1972</b>	4,808
For sale only	82	187	<b>+105</b>	222
For rent	129	311	<b>+182</b>	214
Rented or sold, not occupied	63	57	<b>-6</b>	111
For migrant workers	0	5	<b>+5</b>	0
Other vacant	236	392	<b>+156</b>	556

2 Source: U.S. Census Bureau, 2000 Census, 2010 Census, 2011-2015 American Community Survey 5-Year Estimates

3 **Housing cost**

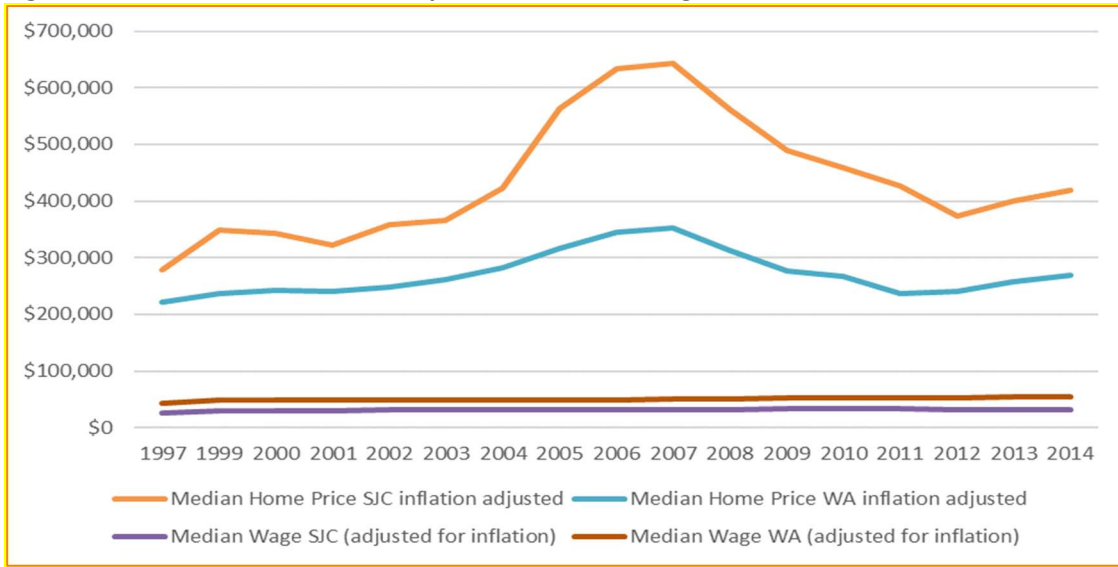
4  
5 Home prices in San Juan County have risen every year since 2012 and appear to be uncorrelated to median  
6 wages. This implies that economic forces outside of the local County economy drive housing demand in  
7 the County.

8  
9 The median home resale value in San Juan County is high compared to the rest of Washington State. Here,  
10 the median home value is \$465,500, nearly 30 percent higher than the state median. Only 22 percent of  
11 owner-occupied houses in San Juan County are valued between \$100,000 and \$300,000, compared to 50  
12 percent in the rest of Washington State. High home values make entering and participating in the housing  
13 market particularly difficult for first time homebuyers, who may not have sufficient capital to make a large  
14 down payment even if they can afford monthly mortgage costs. High home values, low supply and high  
15 demand make the cost of rentals high as well.

16  
17 In San Juan County, people make less in wages and pay far more for housing in comparison the rest of the  
18 State. In San Juan County, high home prices and low average earned income makes purchasing a home  
19 difficult and unavailable to a significant portion of the population. Figure 5, below, compares median  
20 home price and median wage in San Juan County in contrast to the Washington State medians.

21

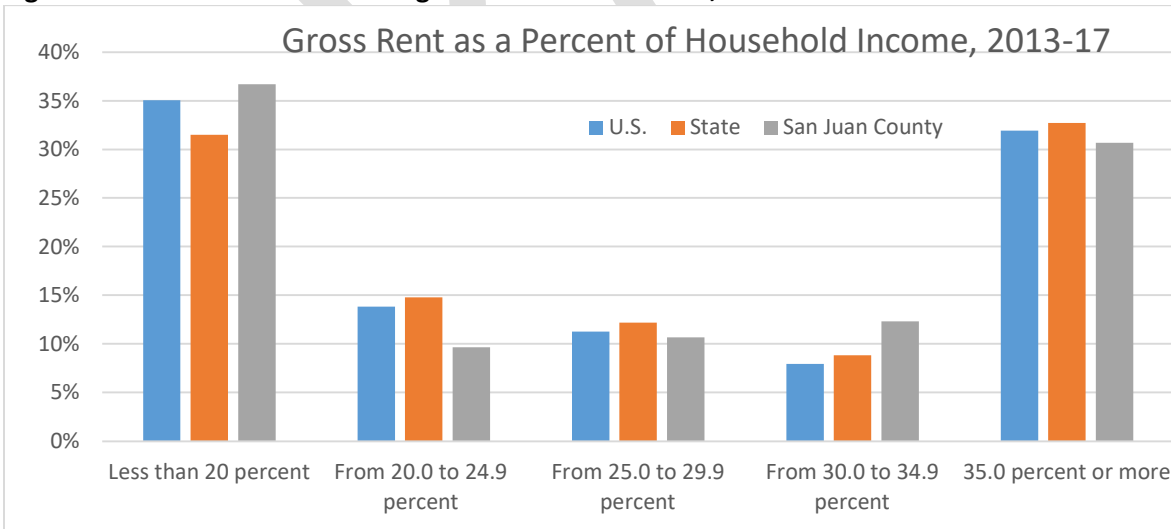
1 **Figure 5. Median Home Prices Compared to Median Wages, 1997 - 2014.**



2  
3 Source: Runstad Center for Real Estate Research; Bureau of Labor Statistics, CPI Inflation Calculator  
4 <https://fortress.wa.gov/esd/employmentdata/docs/regional-reports/san-juan-county-data-tables.xlsx>;

5 High rent compared to income puts pressure on many households. Figure 6, below, shows what percent  
6 of household income is spent, compared to the U.S. and the State. In San Juan County, 43 percent of  
7 renters spend over 30 percent of their income on rent. For households making \$50,000 per year or less,  
8 the estimated affordable rent is \$1,035 per month, not including utilities. Section 5.4.5 of the HNA states  
9 that there are 2.7 times as many households making \$50,000 or less than there are rentals with gross rent  
10 below \$1,000 per month. There are not enough affordable rental housing units to fulfil the need.

11  
12 **Figure 6. Gross Rent as a Percentage of Household Income, 2013 - 2017.**



13 Source: WA State Employment Security Department

14  
15  
16

1 **Vacation Rentals**  
2

3 Many island residents are concerned about the potential effects of vacation rentals (VR) and expansion  
4 of tourism on the community and the environment. The rise of online vacation rental services has created  
5 new pressures on vacation destination community housing supplies, often in unexpected ways. Figure 5-  
6 16 in the HNA shows that the number of vacation rental permits in the County has steadily increased since  
7 2000, long before the increased popularity of online booking websites. Online advertising has also  
8 increased the County’s ability to enforce against unpermitted vacation rentals.

9 The average rate of growth for vacation rental permits was approximately 51 per year over the last 20  
10 years. However, since 2015, the number of new permits issued annually has increased. In the years 2015  
11 to 2019, the average number of new permits issued was 66 per year. Possible trends in VR permits, such  
12 as changes in the number of permits and in the percentage of units in the County with permits, are also  
13 addressed in the HNA. However, community concern over the potential impacts of vacation rentals may  
14 result in modifications of those trends in the future.  
15

16 The County began a certification of compliance program for vacation rentals in 2018, sending out 1,040  
17 notices to vacation rental permit holders in the first year. Of those, compliance certificates were received  
18 for 537 permits. Of those, only 372 permit holders indicated that they were actively utilizing their  
19 property as a vacation rental. In 2018 - 2019 the County received \$98,100 in code enforcement penalties  
20 from code enforcement actions on unpermitted rentals. Code enforcement is continuing for uncertified  
21 permit holders and those that operate without permits.  
22

23 In 2019-2020, the second year of the certification of compliance program, the County sent out 1,118  
24 notices to vacation rental permit holders and received certificates of compliance for 632 permits. Of those,  
25 430 permit holders indicated that their vacation rentals were active. There were 202 inactive vacation  
26 rentals, 331 non-compliant vacation rental permits. The County also found that 155 permits in its system  
27 should no longer be counted because they are either bed and breakfasts, farm stays, or they had been  
28 abandoned. The vacation rental compliance program is guiding compliance efforts, and helping the  
29 County collect more accurate data about the number of vacation rental permits and active vacation rental  
30 properties.  
31

32 Community conversations identified many concerns with vacation rentals. Primary concerns include the  
33 saturation levels in certain neighborhoods and subdivisions, development of multiple vacation rentals on  
34 one parcel similar to a hotel, nuisances, potential trespassing, and the potential for vacation rentals to  
35 impact the availability of long-term rentals.  
36

37 **5.5 LAND CAPACITY ANALYSIS**

38 Land use planning is an essential part of planning for the County’s future housing needs. The Land Capacity  
39 Analysis (LCA) in *Plan* Appendix 1 is a planning tool that explores the County’s maximum possible  
40 development capacity based on current land use regulations. The County uses the LCA, Land Use Element,  
41 and Official Maps in conjunction with the Housing Element and HNA to determine whether there is  
42 capacity to meet future housing needs and where that capacity is located.  
43

44 The LCA fulfils the GMA requirement for an inventory and analysis of existing and projected housing needs  
45 that identifies the number of housing units necessary to manage projected growth. While the GMA  
46 requires that this be done for UGAs, San Juan County opted to perform the LCA for the whole county,

1 including both urban and rural lands, because a high percentage of the County’s population lives outside  
2 of the UGAs.

3  
4 According to the findings of the HNA and LCA, there is capacity to accommodate the projected housing  
5 need. The HNA shows that between 2016 and 2036 there will be need for 1,082 new housing units in  
6 unincorporated San Juan County. The LCA found that the County, not including Friday Harbor, has capacity  
7 for between 2,039 and 3,392 more housing units depending on how mixed-use areas develop. Both urban  
8 and rural areas of the County have adequate capacity for the projected housing need under the current  
9 land use regulations.

## 10 11 5.6 KEY ISSUES AND CHALLENGES

12 As a social, economic, health and environmental issue, housing brings forth complex, multifaceted  
13 challenges. The County has identified two overarching challenges for fulfilling housing needs: availability  
14 and affordability. There is a lack of housing units available to residents, affordable to those living on wage  
15 earned income. The Lopez Family Resource Center summed up the benefits of having stable housing.  
16 Stable housing is necessary for prosperous, healthy communities, thriving children, and economic  
17 development. It also sustains a year-round community.

### 18 19 **Housing availability**

20  
21 Availability refers to the housing unit stock people have the opportunity to choose from when they are  
22 seeking a place to live. There were 7,997 households in San Juan County in 2016, which is expected to  
23 increase to 9,521 households by 2036. In San Juan County the average household size was 2.04 people in  
24 2016. In 2016, there were 13,859 housing units in the County. Of these units, 57 percent were either  
25 owner or renter occupied and 43 percent were vacant. Eighty-one percent of all vacant homes were either  
26 used for occasional, seasonal, or recreational purposes, and were only occupied part of the year by their  
27 owners or as vacation rentals.

### 28 29 **Affordability**

30 Housing that is affordable allows people to pay for their housing while also meeting their other needs and  
31 maintaining a high quality of life. Affordability depends on income and housing cost: what is affordable  
32 to someone with a high income may not be affordable for someone with a low income. Generally, when  
33 a household spends 30 percent or less of its monthly income on  
34 housing, that housing is considered affordable.

35  
36 By the Housing Affordability Index (Table 5-12 in the Housing  
37 Needs Assessment, Appendix 5), San Juan County is considered  
38 the least affordable county in the State of Washington. The  
39 median home value in San Juan County was \$453,000 in 2017.  
40 This is 30 percent higher than that of the State of Washington.  
41 Yet, median wage income in San Juan County is 43 percent lower  
42 than that of the State. With higher than average housing costs paired with below average wages, it is  
43 unsurprising that many San Juan County households spend over 30 percent of their monthly income on  
44 housing related costs. In 2015, 39 percent of households in the County were considered “cost-burdened”  
45 because they spent more than 30 percent of their monthly income on housing. There is a lack of

“Affordable” means a household is spending 30 percent or less of monthly income on housing.

“Cost burdened” refers to spending over 30 percent of monthly income on housing.

1 affordable housing within nearly every income bracket; however, households with lower incomes are cost  
2 burdened at the highest rate.

### 4 **Past, Present, and Future Efforts**

6 Affordable housing non-profits, including community land trusts, have continued to chip away at the  
7 challenge of affordability by creating reliable housing opportunities for Islanders with lower incomes.  
8 Alone, the scale at which these non-profits presently operate will not be adequate to fulfil all housing  
9 needs by 2036. Other County and Federal assistance will be crucial.

11 In 2018, voters approved the San Juan County Home Fund, which will generate funds over time to develop,  
12 produce and/or preserve affordable housing. The Home Fund is generated by a Real Estate Excise Tax  
13 (REET) on the purchase and sale of real property in the County at the rate of one-half of one percent of  
14 the selling price. This REET is projected to generate \$15.2 million for affordable housing over a 12-year  
15 period.

17 The March 21, 2017, San Juan County Affordable Housing Workgroup Strategic Action Plan (Strategic Plan)  
18 lays out three actionable strategies for addressing the County’s affordable housing challenges:

- 19 1) Educate the public on the availability and affordability of housing.
- 20 2) Increase the affordability and availability of housing stock.
- 21 22 23 24 25 3) Maintain existing housing stock that is affordable.

26 It identifies specific housing needs with regard to long-term rentals of various price ranges, as well as  
27 worker housing, lower price range homeownership and housing with supportive services. There are  
28 several actions for each strategy. The HAC assigns a responsible organization and tracks the status of the  
29 actions in the Strategic Plan to maintain accountability.

### 32 **Takeaways Informing Housing Goals and Policies**

34 Considering this assessment of population and housing, the housing goals and policies will put an  
35 emphasis on supporting the development of:

- 36 37 38 39 40 41 42 43 44
- Permanently affordable units for residents
- Year-round rentals for residents as opposed to seasonal rentals;
- Support for first time-home buyers;
- Multi-family development in Urban Growth Areas and Activity Centers designated for higher density;
- A diversity of housing opportunities;
- Fewer instances of substandard housing; and
- Affordable housing projects by non-profits.

1 **5.7 HOUSING GOALS AND POLICIES [DRAFT]**

2 Housing goals and policies guide San Juan County’s actions pertaining to housing. Goals are items the  
3 County hopes to accomplish, and policies are the practices or actions the County intends to carry out as a  
4 way of meeting goals. These goals and policies are informed by many sources, including existing policies,  
5 community feedback, and the data and analysis in the Housing Needs Assessment (Appendix 5).

6 **5.7.A GENERAL HOUSING INVENTORY, TYPES, CATEGORIES, AND CONDITION**

7 **Goal 1. Meet the projected 2036 housing demand for year-round and seasonal residents.**

8 Policies:

- 9 1. Take the following actions in Urban Growth Areas and Activity Centers:
- 10
  - 11 ▪ Incentivize the construction of multi-family and mixed-use developments;
  - 12
  - 13 ▪ Reduce the cost of public services by increasing incentives for denser development; and
  - 14
  - 15 ▪ Work with the appropriate advisory committees to understand market factors that limit
  - 16 more dense development in these areas.
  - 17
- 18 2. Support the development of housing stock that meets the needs of those in the low, moderate,
- 19 middle and upper-middle income brackets.
- 20
- 21 3. Increase the availability of rentals for workers. Support development of specific standards for
- 22 locating seasonal and year-round worker housing such as dorms, bunkhouses, hostels, group
- 23 homes, home shares, farmworker housing and other communal living arrangements
- 24
- 25 4. Allow farm stays and farmworker housing accommodations on properties where commercial
- 26 agriculture is conducted.
- 27

28 **Goal 2. Address the housing needs of special populations such as veterans, the elderly, differently**

29 **abled, mentally ill, victims of domestic violence, and those at-risk of or currently facing homelessness.**

30 Policies:

- 31 1. Assure that there are appropriate regulations and land use designations to allow housing to meet
- 32 the needs of the elderly population, such as group homes, assisted living residences and skilled
- 33 nursing facilities.
- 34
- 35 2. Support organizations that host cold weather shelters on San Juan and Orcas islands and promote
- 36 the development of a shelter on Lopez Island.
- 37
- 38 3. Implement the County’s five-year Homeless Plan and support services in order to reduce
- 39 homelessness and increase opportunities for wellbeing in San Juan County.
- 40
- 41 4. Support organizations that provide services for those who are homeless, including laundry
- 42 facilities and safe storage for belongings.
- 43

- 1 5. Reduce obstacles for the development of new housing opportunities for vulnerable populations  
2 such as safe homes for domestic violence victims, transitional housing for the recently homeless,  
3 and the host home program for at-risk youth and youth experiencing emergencies.  
4
- 5 6. Continue to implement housing assistance for eligible veterans through the Veterans Assistance  
6 Fund.  
7

8 **Goal 3. Improve housing condition and reduce the number of substandard housing units.**

9 Policies:

- 10 1. Utilize all available resources to complete weatherization upgrades and provide energy  
11 assistance.  
12
- 13 2. Promote health related improvements to older homes, such as accessibility improvements and  
14 the abatement of lead-based paint, asbestos, and other potentially harmful materials.  
15
- 16 3. Review and revise permit process for home remodels to ensure compliance with State lead  
17 regulations and reduce the risk of exposure.  
18
- 19 4. Support grant acquisitions for the development of home improvement programs to raise the  
20 quality and safety of currently substandard housing.  
21
- 22 5. Support non-profit programs that identify and reduce the number of substandard units.  
23
- 24 6. Support weatherization and home maintenance programs.  
25

26 **Goal 4. Reduce the costs of maintaining existing homes and constructing new housing units.**

27 Policies:

- 28 1. Boost the development of construction trades on the Islands by supporting the Economic  
29 Development Council to provide training and certification courses at Skagit Valley College.  
30
- 31 2. Expedite permitting of approved stock construction plans to reduce building permit costs.  
32
- 33 3. Continue the owner-builder permit program to enable County residents to construct their own  
34 homes.  
35
- 36 4. Reduce barriers to the construction of affordable housing by identifying alternative funding  
37 sources for development costs.  
38
- 39 5. Develop standards for tiny home building site plans where water and sewer services exist and  
40 adopt the Washington State Building Code for tiny homes.  
41
- 42 6. Expand tool lending libraries on the most populated islands to increase people's access to the  
43 tools they need to maintain their homes.  
44

7. Provide information on prefabricated building materials and encourage their use as a way for owner-builders to reduce construction costs.

**Goal 5. Promote climate resiliency by minimizing the environmental impacts, such as greenhouse gas emissions, of the existing and future housing stock in San Juan County.**

Policies:

1. Consider climate change risks in siting Urban Growth Area expansions and new affordable housing locations, and avoid sites projected to have increased risk of flooding, landslides, severe erosion, or water shortages.
2. Identify and support partners that work to increase the environmental sustainability of housing on the Islands by means such as reducing energy use, protecting critical areas, and mitigating climate change impacts.
3. Provide information about and support the use of green and alternative building materials.
4. Incentivize investments in energy conservation, efficiency, and renewable energy generation for new and existing housing units.
5. Support working farms and farmland succession.

**5.7.B AFFORDABILITY**

**Goal 6. Increase the number of resale-restricted affordable housing units.**

Policies:

1. Support applications to the WA State Housing Finance Commission Land Acquisition Program (LAP) for assistance in purchasing land for affordable housing development.
2. Facilitate the preservation of existing affordable housing units.
3. Promote the design, construction, and maintenance of quality affordable rental units to serve long-term residents of various family sizes and income levels.
4. When allocating county funding for affordable housing, prioritize projects that are permanently affordable with resale-restrictions lasting at least 50 years.
5. For land use designations that include residential density bonuses, require the additional housing developed as a result of the density bonus to have resale-restrictions lasting at least 50 years.
6. When allowed, offset building permit fees for affordable housing with affordable housing funds.
7. Support USDA Rural Development Farm Labor Housing Direct Loans & Grants programs that provide construction, improvement, repair and purchase of housing for farm laborers.

1 **Goal 7. Adopt regulations in the San Juan County Unified Development Code and Comprehensive Plan**  
2 **elements that facilitate access to affordable housing by increasing the number of available**  
3 **affordable units and widening the range of people who qualify for affordable housing.**

4 Policies:

- 5 1. Expand the existing density bonus program to provide further incentives for creating affordable  
6 housing in Urban Growth Areas and Activity Centers.  
7
- 8 2. Allow bonuses for multi-family affordable housing development.  
9
- 10 3. Allow up to 50% of dwelling units counted as affordable housing for the purpose of obtaining  
11 affordable housing privileges to be for moderate income households.  
12
- 13 4. Allow nonprofits and private developers to develop small-scale rural residential clusters with long-  
14 term affordability restrictions and no more than twelve dwelling units each, within rural  
15 residential, rural farm forest, and Village, Hamlet and Residential Activity Centers.  
16
- 17 5. Ensure consistency between the County's definitions of affordable housing by considering  
18 housing costs for renters to include rent and utilities, or, for owners, to include the principal and  
19 interest on the mortgage plus property taxes and insurance (PITI).  
20
- 21 6. Encourage public sector employers (such as the Town of Friday Harbor, San Juan County, school  
22 districts, fire districts, etc.) to provide for affordable housing options for their employees utilizing  
23 lands currently owned and operated by those entities.  
24

25 **Goal 8. Partner with organizations that support housing affordability and leverage the County's access**  
26 **to resources to utilize and provide programs that increase access to housing for middle to low-**  
27 **income households.**

28 Policies:

- 29 1. Collaborate with non-profits to provide housing support services such as rental, homeownership  
30 and utilities assistance programs for low to moderate income households.  
31
- 32 2. Utilize state and federal housing resources and grant programs to the maximum extent possible  
33 consistent with the goals and policies of this Element for affordable housing development, rental  
34 and homeownership down payment assistance, weatherization assistance, and infrastructure  
35 development related to affordable housing.  
36
- 37 3. Leverage local funding sources to attract state, federal and private dollars to support the  
38 development of housing affordability programs.  
39
- 40 4. Provide, as appropriate, for the sale or lease of County-owned land for permanently affordable  
41 housing development.  
42

- 1 5. Expand and implement the 2018 Home-Share Pilot Program completed on San Juan Island and  
2 make it feasible in more island communities.  
3
- 4 6. Facilitate and support the development of down payment assistance programs such as the Equity  
5 Loan Program and work with banks to develop programs to roll down payments into mortgages.  
6
- 7 7. Lobby for funding support for affordable housing programs in rural areas using tax credits.

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