



Health & Community Services San Juan County

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Staff Report

TO: Planning Commission
FROM: Ryan Page, Housing Program Coordinator
SUBJECT: Draft Housing Element Feedback
For the Meeting of: March 18, 2022
ATTACHMENTS: Current Draft Housing Element with track changes

Members of the Housing Advisory Committee (HAC) were requested to review the current draft of the Housing Element and provide their final suggestions and feedback for this draft for discussion at their March 9th meeting. The HAC has reviewed and provided input for this document on multiple occasions at this point.

The goal of this exercise was to discuss these suggestions, and then try to come to a consensus on which changes should be recommended to the Department of Community Development for their and the Planning Commission’s consideration. Once the HAC agreed upon the below suggested changes, it was agreed that the work of the HAC on this draft document was substantially complete barring any significant changes going forward which might warrant a public comment from the group or it’s members.

In the table below is a list of the recommended changes to the draft of the Housing Element approved by consensus by the HAC. Attached to this staff report is a strikeout/underline version of the current draft with these changes incorporated into that document where appropriate. But the Planning Commission should keep in mind that certain strikeouts or additions in this draft pre-dated the HAC’s work and are still present in this version of the document such as the revisions to the Land Capacity Analysis section 5.5.

Page	Line	Specific Goal/Policy Change
3	10	The word “fundamental” is almost always used to describe the things required for human survival, particularly food, water, and shelter (housing). “Foundational” usually refers to the base from which something else develops. I think “fundamental” is preferable as used here.
4-12		To support the housing Goals and Policies that follow, these sections repeatedly cite numbers and data that are six or more years old. I assume much or most of this is taken from the most recent Draft Housing Needs Assessment, even though that is dated Jan. 8, 2021. However, to whatever extent it is possible, substituting more recent numbers - which are readily available - would provide a stronger basis for the Housing Goals and Policies that follow.
15	18-20	Drop “upper-middle income.” Ensure consistency in this policy with the recently passed HB 1220 demographic segments listed in that bill.
15	22-23	To increase the availability of the described types of worker rentals, add “creating incentives” to simply “developing standards for locating” such rental housing.

15	30	<p>Add a Policy item “5” concerning vacation rentals. Despite the recent controversy, and the likelihood of a cap on the number of VRs, not mentioning them at all in the updated Housing Element would be conspicuous by its absence. VRs will continue to be an issue, so add language instructing the County to continue to monitor their effects on our community and housing stock, leaving the possibility of additional regulations in the future as needed.</p> <p>“Continue to monitor and gather data on short term vacation rentals, including their proliferation and potential adverse impacts on nearby property owners and neighborhoods. Based on this data and monitoring, consider whether further restricting or regulating of vacation rentals would lead to an increase in the number of available rental housing to meet the demand for year-round residents.”</p>
15	37	Change “facing homelessness” to “experiencing homelessness” - this seems more accurate (“at risk” is not much different than “facing”).
16	23	Change “accessibility improvements” to “accessibility and safety improvements” - safety improvements are increasingly important for aging in place and most likely to be needed in older homes.
17	7-11	<p>As written, this falls far short of the five specific HAC tiny house (home) recommendations currently pending before the County Council. We hope the Council will adopt an ordinance implementing our recommendations now and not wait until after the ongoing CP update is complete. However, if that does not happen, or if not all recommendations are adopted, the Goal 4 Policies should be accordingly modified. We should recognize that putting them in here now could undercut our effort to get the ordinance adopted any time soon.</p> <p>“Amend the San Juan County Unified Development Code and Building Code to better allow for the development of Tiny Houses and Tiny House Communities as defined by RCW 35.21.686(4)(a).”</p>
17	32-33	Information should also be provided on reusing building materials where appropriate.
17	42	Goal 6 does - and should - apply to both home ownership and rental affordable housing, so the heading should add “and rental” or words of similar import, after “resale-restricted.”
18	7	CHANGE to “resale or rent restrictions lasting at least 99 years.”
18	10	CHANGE to “resale or rent restrictions lasting at least 99 years.”
18	15	ADD to the last sentence of Goal 7 policy 4: “The Developer must have a long-term stewardship plan, other than the County, for monitoring resales.”
18	42	Add language indicating that ways to better utilize ADUs as long-term affordable housing should be explored and implemented. As the affordable housing crisis has worsened, so has the need to remain open to using ADUs for long-term. This seems well worth another look by the HAC and an essentially new Council at some time in the future.
19	1-4	<p>Add to to Goal 7 a new Policy number 7:</p> <p>Allow Eastsound and Lopez Village Urban Growth Area reserve area parcels to be brought into the Urban Growth Areas if the said parcel owner has a plan or contract with an agency to develop permanently affordable housing on said parcel within three to five years. If land use permits for the affordable housing are not submitted within three years land shall be placed back into reserve.</p>

COMPREHENSIVE PLAN

SECTION B, ELEMENT 5

**DRAFT
HOUSING ELEMENT**

~~December 17, 2019~~

~~January 6, 2021~~

September 16, 2021

1 **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~~ fundamental human need, necessary to create the vibrant
11 and diverse community we envision. In addressing the challenge of housing the County’s people, it is
12 essential to do so in a manner that protects the natural environment, suits the character of the islands,
13 respects private property rights, and addresses unique island obstacles. The islands face specific
14 challenges, such as a shortage of consistent skilled labor, high material costs, and the imperative of
15 preserving rural character.
16

17 Meeting current and future housing needs is an issue with substantial social, economic, and
18 environmental implications. Extensive housing development in rural areas could be detrimental to natural
19 resources and the environment, and could alter the San Juan Islands’ sense of place. Sprawling, low-
20 density development would jeopardize San Juan County’s rural character. The choices we make today
21 have the potential to have a lasting long-term impact on the community.
22

23 Two overarching challenges San Juan County faces are availability and affordability of housing. By 2036
24 there are projected to be 9,521 households and 18,059 housing units in the county. While there appear
25 to be more than enough units to house everyone who lives here, there are not enough units actually
26 available for purchase by low and moderate income people or rentals for long-term or seasonal workers.
27 Available units are often not affordable to those who rely on wage incomes in San Juan County. The
28 County, its Housing Advisory Committee and housing non-profits can increase opportunities for affordable
29 housing and set the stage for affordable housing efforts by non-profits and private developers to be
30 successful.
31

32 The Housing Element is meant to guide plans for the existing and projected housing needs of all the
33 County’s people. It identifies the expected resident population, provides an inventory and analysis of
34 existing housing, and identifies housing needs based on both current conditions and projected growth.
35 The goals and policies are actionable and reflect the County’s and community’s priorities. Appendix A.5,
36 the Housing Needs Assessment (HNA), provides more detailed information on population and housing
37 characteristics and projections.
38

39 **5.2 RELATIONSHIP TO OTHER PLAN ELEMENTS**
40

41 The Housing Element is both a stand-alone document meant to guide the implementation of housing-
42 related actions in the County, and a supporting piece of the *Plan* as a whole. It is closely tied to other
43 planning elements such as land use, economic development, and capital facilities. The data and findings
44 that support the Housing Element, including the Housing Needs Assessment (Appendix 5), the Land
45 Capacity Analysis (Appendix 1), and Population Projection (Appendix 1), also inform other elements of the
46 *Plan*.
47

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

5.3 POPULATION AND DEMOGRAPHICS

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

Projected 2036 Population

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

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
Total	16,314	100.0%	19,423***	100.0%	3,109	1,524	809

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**

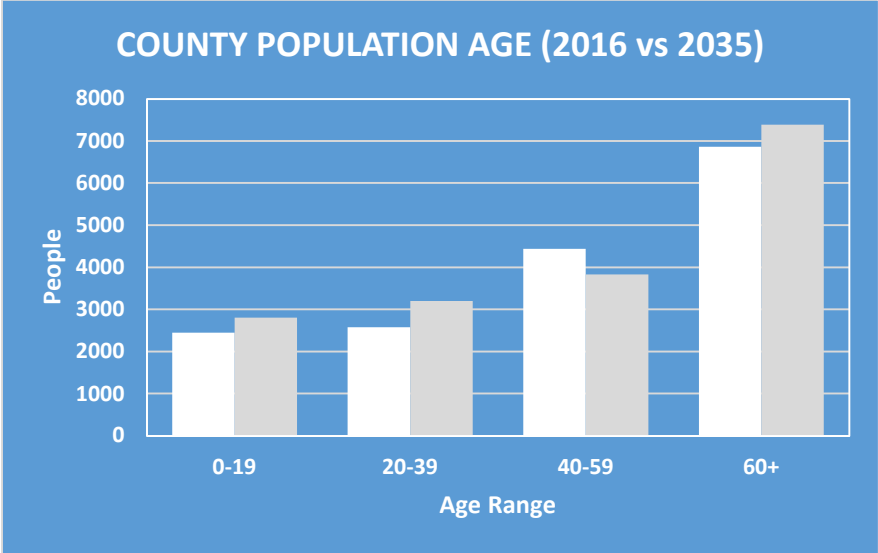
8
 9 San Juan County's population size varies throughout the year. There are a significant number of seasonal
 10 residents and visitors in addition to year-round residents. The *2018 San Juan Island Visitors Study (Study)*,
 11 based on ferry ridership patterns during the year, found that the daily 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

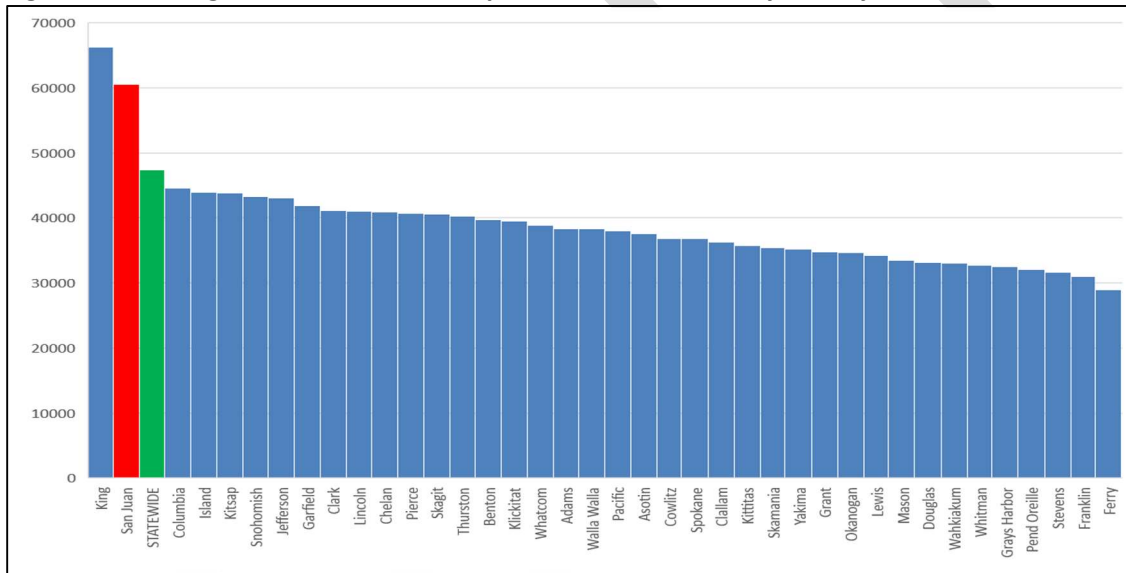
33
 34 **Income**

35

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

9
 10 With a low average annual wage income, many people in San Juan County live at and around the Federal
 11 Poverty Level (FPL), despite the County’s high per capita income. In 2016, 11 percent of households in
 12 the County were living below the FPL, and an additional 22 percent were just above the FPL but could not
 13 afford a basic household budget. Meeting basic needs such as housing, food, childcare, transportation
 14 and healthcare, is highly challenging for about one third of the County.

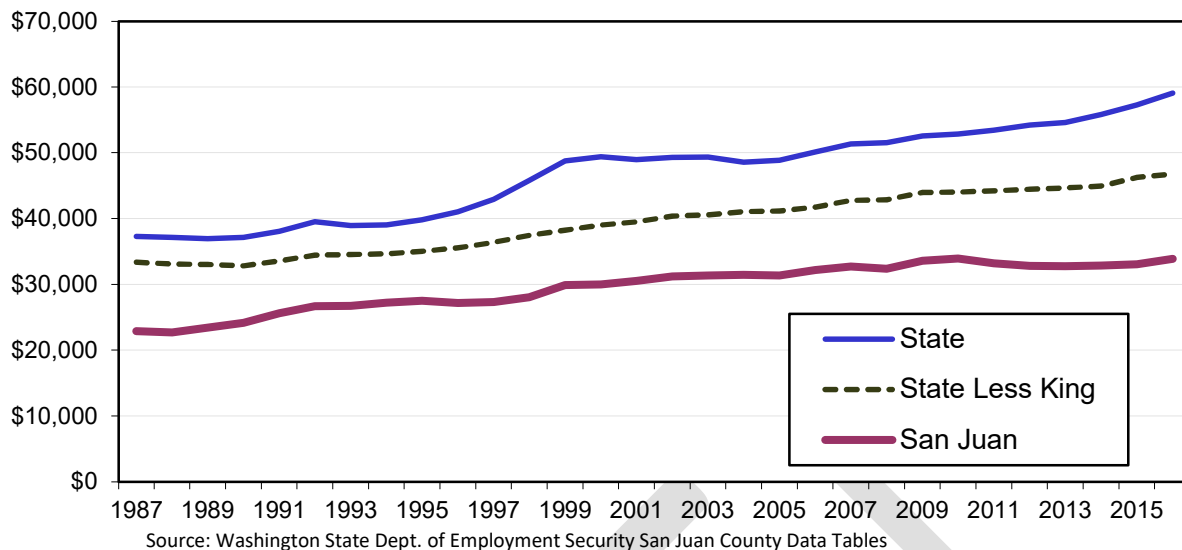
15
 16 **Figure 2. Washington State Real¹ Per Capita Personal Income by County, 2015.**



17 Source: Calculations by the Washington Regional Economic Analysis Project (WA-REAP) with data provided by the U.S. Department of
 18 Commerce, Bureau of Economic Analysis
 19
 20

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

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



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

5.4 HOUSING PROJECTIONS AND INVENTORY

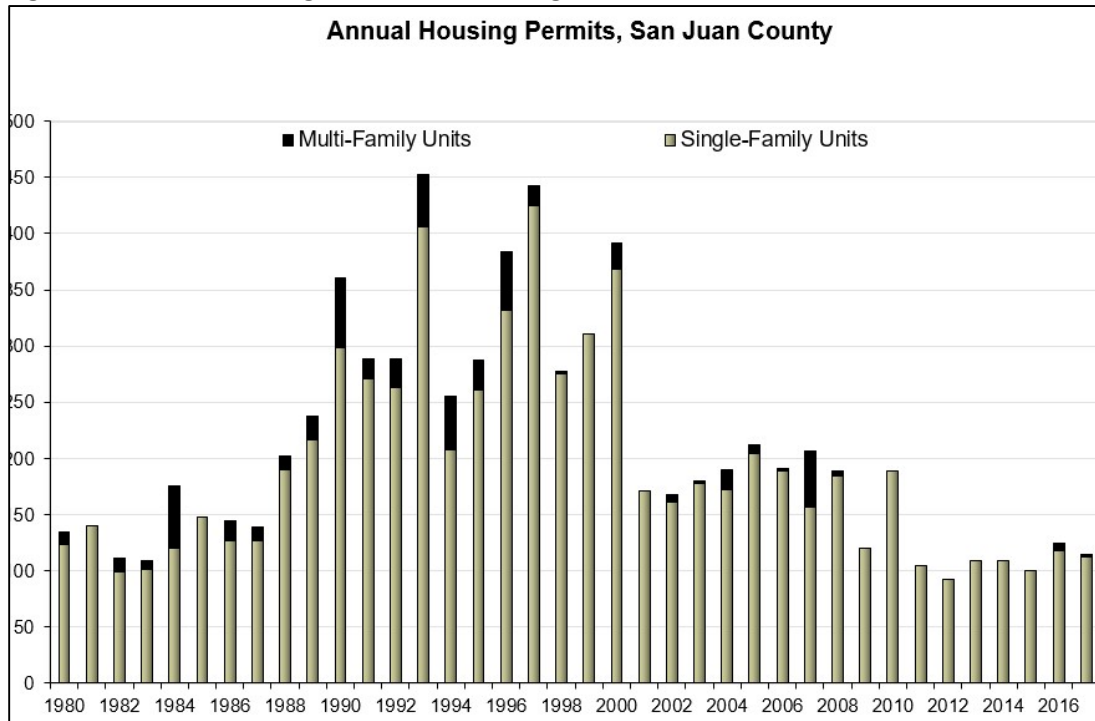
2036 Housing Projections

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.

Housing Type

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.

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

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

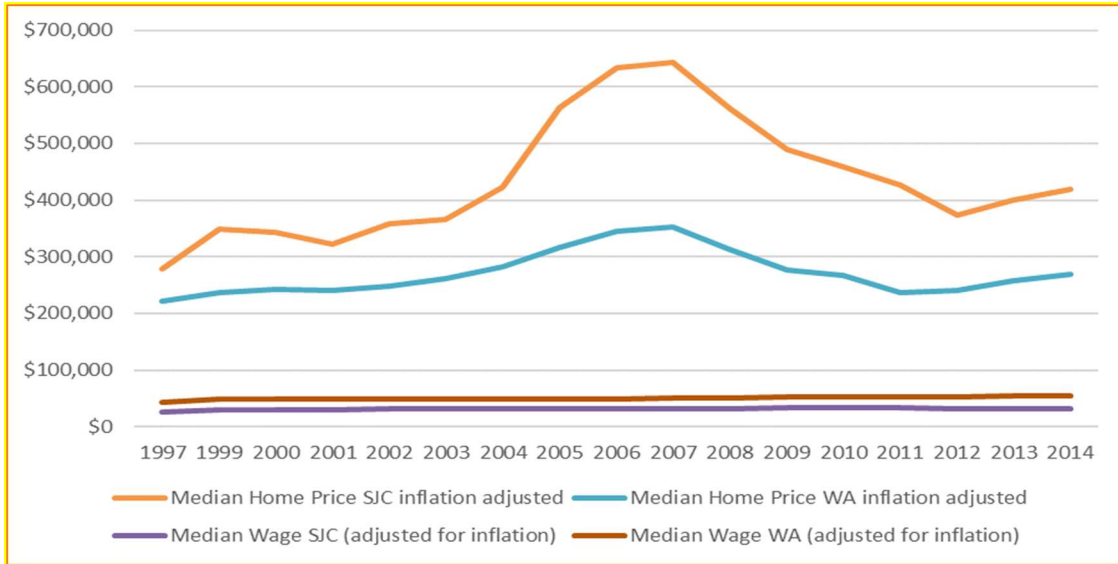
3 **Housing cost**

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 makes entering and participating in the
13 housing market particularly difficult for first time homebuyers, who may not have sufficient capital to
14 make a large down payment even if they can afford monthly mortgage costs. High home values, low supply
15 and high 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.

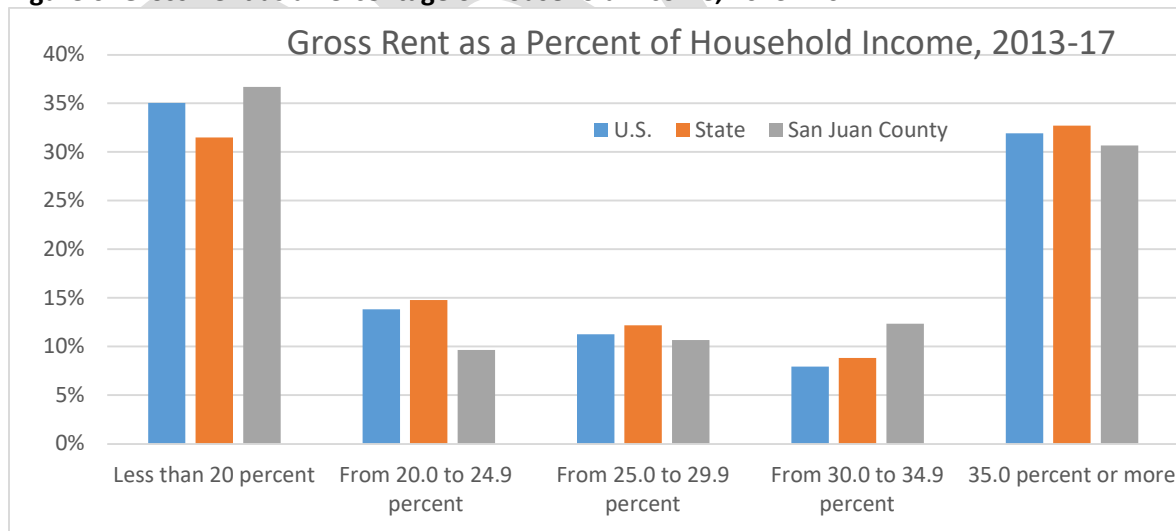
21
22 **Figure 5. Median Home Prices Compared to Median Wages, 1997 - 2014.**



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

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

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



Source: WA State Employment Security Department

Vacation Rentals

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

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

13
14 The County began a certification of compliance program for vacation rentals in 2018, sending out 1,040
15 notices to vacation rental permit holders in the first year. Of those, compliance certificates were received
16 for 537 permits. Of those, only 372 permit holders indicated that they were actively utilizing their
17 property as a vacation rental. In 2018 - 2019 the County received \$98,100 in code enforcement penalties
18 from code enforcement actions on unpermitted rentals. Code enforcement is continuing for uncertified
19 permit holders and those that operate without permits.

20
21 In 2019-2020, the second year of the certification of compliance program, the County sent out 1,118
22 notices to vacation rental permit holders and received certificates of compliance for 632 permits. Of those,
23 430 permit holders indicated that their vacation rentals were active. There were 202 inactive vacation
24 rentals, 331 non-compliant vacation rental permits. The County also found that 155 permits in its system
25 should no longer be counted because they are either bed and breakfasts, farm stays, or they had been
26 abandoned. The vacation rental compliance program is guiding compliance efforts, and helping the
27 County collect more accurate data about the number of vacation rental permits and active vacation rental
28 properties.

29
30 Community conversations identified many concerns with vacation rentals. Primary concerns include the
31 saturation levels in certain neighborhoods and subdivisions, development of multiple vacation rentals on
32 one parcel similar to a hotel, nuisances, potential trespassing, and the potential for vacation rentals to
33 impact the availability of long-term rentals.

34 35 5.5 LAND CAPACITY ANALYSIS

36 ~~The Land Capacity Analysis (LCA) in *Plan* Appendix 1 is a planning tool that explores the County's maximum
37 possible development capacity based on current land use regulations. Development can be contrary to
38 the San Juan County Vision and the islands' rural character; therefore, housing development should be
39 focused on areas already designated for higher density. The LCA, in conjunction with population
40 projections, Official Maps, and the Housing Needs Assessment, can be used to locate opportunities for
41 meeting San Juan County's growing housing needs. The LCA helps show where higher density
42 development is possible and what options are for housing different types. This appendix of the *Plan* seeks
43 to ease tension between the desire to preserve rural character and to address the County's growing
44 housing needs.~~

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

6
7 The LCA fulfils the GMA requirement for an inventory and analysis of existing and projected housing needs
8 that identifies the number of housing units necessary to manage projected growth. While the GMA
9 requires that this be done for UGAs, San Juan County opted to perform the LCA for the whole county,
10 including both urban and rural lands, because a high percentage of the County’s population lives outside
11 of the UGAs.

12
13 According to the findings of the HNA and LCA, there is capacity to accommodate the projected housing
14 need. The HNA shows that between 2016 and 2036 there will be need for 1,082 new housing units in
15 unincorporated San Juan County. The LCA found that the County, not including Friday Harbor, has capacity
16 for between 2,039 and 3,392 more housing units depending on how mixed-use areas develop. Both urban
17 and rural areas of the County have adequate capacity for the projected housing need under the current
18 land use regulations.

20 **5.6 KEY ISSUES AND CHALLENGES**

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

28 **Housing availability**

29
30 Availability refers to the housing unit stock people have the opportunity to choose from when they are
31 seeking a place to live. There were 7,997 households in San Juan County in 2016, which is expected to
32 increase to 9,521 households by 2036. In San Juan County the average household size was 2.04 people in
33 2016. In 2016, there were 13,859 housing units in the County. Of these units, 57 percent were either
34 owner or renter occupied and 43 percent were vacant. Eighty-one percent of all vacant homes were either
35 used for occasional, seasonal, or recreational purposes, and were only occupied part of the year by their
36 owners or as vacation rentals.

38 **Affordability**

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

“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 By the Housing Affordability Index (Table 5-12 in the Housing Needs Assessment, Appendix 5), San Juan
2 County is considered the least affordable county in the State of Washington. The median home value in
3 San Juan County was \$453,000 in 2017. This is 30 percent higher than that of the State of Washington.
4 Yet, median wage income in San Juan County is 43 percent lower than that of the State. With higher than
5 average housing costs paired with below average wages, it is unsurprising that many San Juan County
6 households spend over 30 percent of their monthly income on housing related costs. In 2015, 39 percent
7 of households in the County were considered “cost-burdened” because they spent more than 30 percent
8 of their monthly income on housing. There is a lack of affordable housing within nearly every income
9 bracket; however, households with lower incomes are cost burdened at the highest rate.

10 11 **Past, Present, and Future Efforts**

12
13 Affordable housing non-profits, including community land trusts, have continued to chip away at the
14 challenge of affordability by creating reliable housing opportunities for Islanders with lower incomes.
15 Alone, the scale at which these non-profits presently operate will not be adequate to fulfil all housing
16 needs by 2036. Other County and Federal assistance will be crucial.

17
18 In 2018, voters approved the San Juan County Home Fund, which will generate funds over time to develop,
19 produce and/or preserve affordable housing. The Home Fund is generated by a Real Estate Excise Tax
20 (REET) on the purchase and sale of real property in the County at the rate of one-half of one percent of
21 the selling price. This REET is projected to generate \$15.2 million for affordable housing over a 12-year
22 period.

23
24 The March 21, 2017, San Juan County Affordable Housing Workgroup Strategic Action Plan (Strategic Plan)
25 lays out three actionable strategies for addressing the County’s affordable housing challenges:

- 26
27 1) Educate the public on the availability and affordability of housing.
- 28
29 2) Increase the affordability and availability of housing stock.
- 30
31 3) Maintain existing housing stock that is affordable.

32
33 It identifies specific housing needs with regard to long-term rentals of various price ranges, as well as
34 worker housing, lower price range homeownership and housing with supportive services. There are
35 several actions for each strategy. The HAC assigns a responsible organization and tracks the status of the
36 actions in the Strategic Plan to maintain accountability.

37 38 39 **Takeaways Informing Housing Goals and Policies**

40
41 Considering this assessment of population and housing, the housing goals and policies will put an
42 emphasis on supporting the development of:

- 43
44 ▪ Permanently affordable units for residents
- 45
46 ▪ Year-round rentals for residents as opposed to seasonal rentals;
- Support for first time-home buyers;

- 1 ▪ Multi-family development in Urban Growth Areas and Activity Centers designated for higher
- 2 density;
- 3 ▪ A diversity of housing opportunities;
- 4 ▪ Fewer instances of substandard housing; and
- 5 ▪ Affordable housing projects by non-profits.

DRAFT

5.7 HOUSING GOALS AND POLICIES [DRAFT]

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

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

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

Policies:

1. Take the following actions in Urban Growth Areas and Activity Centers:
 - Incentivize the construction of multi-family and mixed-use developments;
 - Reduce the cost of public services by increasing incentives for denser development; and
 - Work with the appropriate advisory committees to understand market factors that limit more dense development in these areas.
2. Support the development of housing stock that meets the needs of those in [the low, moderate, middle and upper middle income brackets moderate, low, very low, and extremely low-income households](#).
3. Increase the availability of rentals for workers. Support development of specific standards [and create incentives](#) for locating seasonal and year-round worker housing such as dorms, bunkhouses, hostels, group homes, home shares, farmworker housing and other communal living arrangements
4. Allow farm stays and farmworker housing accommodations on properties where commercial agriculture is conducted.
- 4.5. [Continue to monitor and gather data on short term vacation rentals, including their proliferation and potential adverse impacts on nearby property owners and neighborhoods. Based on this data and monitoring, consider whether further restricting or regulating of vacation rentals would lead to an increase in the number of available rental housing to meet the demand for year-round residents.](#)

Goal 2. Address the housing needs of special populations such as veterans, the elderly, differently abled, mentally ill, victims of domestic violence, and those at-risk of or currently [facing-experiencing homelessness](#).

Policies:

1. Assure that there are appropriate regulations and land use designations to allow housing to meet the needs of the elderly population, such as group homes, assisted living residences and skilled nursing facilities.

2. Support organizations that host cold weather shelters on San Juan and Orcas islands and promote the development of a shelter on Lopez Island.
3. Implement the County’s five-year Homeless Plan and support services in order to reduce homelessness and increase opportunities for wellbeing in San Juan County.
4. Support organizations that provide services for those who are homeless, including laundry facilities and safe storage for belongings.
5. Reduce obstacles for the development of new housing opportunities for vulnerable populations such as safe homes for domestic violence victims, transitional housing for the recently homeless, and the host home program for at-risk youth and youth experiencing emergencies.
6. Continue to implement housing assistance for eligible veterans through the Veterans Assistance Fund.

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

Policies:

1. Utilize all available resources to complete weatherization upgrades and provide energy assistance.
2. Promote health related improvements to older homes, such as accessibility [and safety](#) improvements and the abatement of lead-based paint, asbestos, and other potentially harmful materials.
3. Review and revise permit process for home remodels to ensure compliance with State lead regulations and reduce the risk of exposure.
4. Support grant acquisitions for the development of home improvement programs to raise the quality and safety of currently substandard housing.
5. Support non-profit programs that identify and reduce the number of substandard units.
6. Support weatherization and home maintenance programs.

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

Policies:

1. Boost the development of construction trades on the Islands by supporting the Economic Development Council to provide training and certification courses at Skagit Valley College.
2. Expedite permitting of approved stock construction plans to reduce building permit costs.

1 3. Continue the owner-builder permit program to enable County residents to construct their own
2 homes.

3
4 4. Reduce barriers to the construction of affordable housing by identifying alternative funding
5 sources for development costs.

6
7 ~~5. Develop standards for tiny home building site plans where water and sewer services exist and~~
8 ~~adopt the Washington State Building Code for tiny homes.~~

9
10 5. Amend the San Juan County Unified Development Code and Building Code to better allow for the
11 development of Tiny Houses and Tiny House Communities as defined by RCW 35.21.686(4)(a).

12
13 6. Expand tool lending libraries on the most populated islands to increase people’s access to the
14 tools they need to maintain their homes.

15
16 7. Provide information on prefabricated building materials and encourage their use as a way for
17 owner-builders to reduce construction costs.

18
19 **Goal 5. Promote climate resiliency by minimizing the environmental impacts, such as greenhouse gas**
20 **emissions, of the existing and future housing stock in San Juan County.**

21
22 Policies:

23
24 1. Consider climate change risks in siting Urban Growth Area expansions and new affordable housing
25 locations, and avoid sites projected to have increased risk of flooding, landslides, severe erosion,
26 or water shortages.

27
28 2. Identify and support partners that work to increase the environmental sustainability of housing
29 on the Islands by means such as reducing energy use, protecting critical areas, and mitigating
30 climate change impacts.

31
32 3. Provide information about and support the use of green and alternative building materials, and
33 the sustainable reuse of building materials.

34
35 4. Incentivize investments in energy conservation, efficiency, and renewable energy generation for
36 new and existing housing units.

37
38 5. Support working farms and farmland succession.

39
40 **5.7.B AFFORDABILITY**

41
42 **Goal 6. Increase the number of resale-restricted homeownership and rental affordable housing units.**

43
44 Policies:

45
46 1. Support applications to the WA State Housing Finance Commission Land Acquisition Program
47 (LAP) for assistance in purchasing land for affordable housing development.

- 1 2. Facilitate the preservation of existing affordable housing units.
- 2
- 3 3. Promote the design, construction, and maintenance of quality affordable rental units to serve
- 4 long-term residents of various family sizes and income levels.
- 5
- 6 4. When allocating county funding for affordable housing, prioritize projects that are permanently
- 7 affordable with resale ~~or -restrictions~~ rent restrictions lasting at least 5099 years.
- 8
- 9 5. For land use designations that include residential density bonuses, require the additional housing
- 10 developed as a result of the density bonus to have resale or rent -restrictions lasting at least 5099
- 11 years.
- 12
- 13 6. When allowed, offset building permit fees for affordable housing with affordable housing funds.
- 14
- 15 7. Support USDA Rural Development Farm Labor Housing Direct Loans & Grants programs that
- 16 provide construction, improvement, repair and purchase of housing for farm laborers.
- 17
- 18

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

22 Policies:

- 23 1. Expand the existing density bonus program to provide further incentives for creating affordable
- 24 housing in Urban Growth Areas and Activity Centers.
- 25
- 26 2. Allow bonuses for multi-family affordable housing development.
- 27
- 28 3. Allow up to 50% of dwelling units counted as affordable housing for the purpose of obtaining
- 29 affordable housing privileges to be for moderate income households.
- 30
- 31 4. Allow nonprofits and private developers to develop small-scale rural residential clusters with long-
- 32 term affordability restrictions and no more than twelve dwelling units each, within rural
- 33 residential, rural farm forest, and Village, Hamlet and Residential Activity Centers. The Developer
- 34 must have a long-term stewardship plan, other than the County, for monitoring resales.
- 35
- 36 5. Ensure consistency between the County's definitions of affordable housing by considering
- 37 housing costs for renters to include rent and utilities, or, for owners, to include the principal and
- 38 interest on the mortgage plus property taxes and insurance (PITI).
- 39
- 40 ~~6. Expand allowances for detached accessory dwelling units restricted for affordable housing or~~
- 41 ~~long-term rental. Pending GMA risk analysis. Explore and implement ways to better utilize~~
- 42 ~~Accessory Dwelling Units as long-term affordable housing.~~
- 43

1 [5.7. Allow Eastsound and Lopez Village Urban Growth Area reserve area parcels to be brought into the](#)
2 [Urban Growth Areas if the said parcel owner has a plan or contract with an agency to develop](#)
3 [permanently affordable housing on said parcel within three to five years. If land use permits for](#)
4 [the affordable housing are not submitted within three years land shall be placed back into reserve.](#)
5

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

9 Policies:

- 10 1. Collaborate with non-profits to provide housing support services such as rental, homeownership
11 and utilities assistance programs for low to moderate income households.
12
- 13 2. Utilize state and federal housing resources and grant programs to the maximum extent possible
14 consistent with the goals and policies of this Element for affordable housing development, rental
15 and homeownership down payment assistance, weatherization assistance, and infrastructure
16 development related to affordable housing.
17
- 18 3. Leverage local funding sources to attract state, federal and private dollars to support the
19 development of housing affordability programs.
20
- 21 4. Provide, as appropriate, for the sale or lease of County-owned land for permanently affordable
22 housing development.
23
- 24 5. Expand and implement the 2018 Home-Share Pilot Program completed on San Juan Island and
25 make it feasible in more island communities.
26
- 27 6. Facilitate and support the development of down payment assistance programs such as the Equity
28 Loan Program and work with banks to develop programs to roll down payments into mortgages.
29
- 30 7. Lobby for funding support for affordable housing programs in rural areas using tax credits.