

RESOLUTION NO. 13 - 2017

**Resolution Adopting the San Juan County Affordable Housing Workgroup
Strategic Action Plan**

WHEREAS, accessible affordable housing concerns have been confronting San Juan County for many years;

WHEREAS, numerous studies and community forums have documented housing concerns for low and moderate income households countywide;

WHEREAS, in March 2016 the County authorized a workgroup to develop an Affordable Housing Strategic Action Plan;

WHEREAS, a workgroup was convened and included leaders in business, housing non-profits, the building community, school districts, Town of Friday Harbor, community action groups, and county staff;

WHEREAS, the workgroup held five meetings between March and November 2016, and developed a Strategic Action Plan that includes a vision, identified needs, strategies, actions, an implementation timeline, and measures to monitor success;

WHEREAS, on January 24, 2017 the County Council reviewed and provided input on the Strategic Action Plan; and

WHEREAS, on February 15, 2017 the Housing Bank Commission reviewed, provided input and recommended that the County Council adopt the San Juan County Affordable Housing Workgroup Strategic Action Plan

NOW, THEREFORE, BE IT RESOLVED by the County Council of San Juan County, state of Washington, as follows:

1. The San Juan County Affordable Housing Workgroup Strategic Action plan attached as Exhibit A is hereby adopted.
2. The San Juan County Housing Bank Commission will oversee and report annually to the County Council on the implementation status of the identified actions.

ADOPTED this 21ST day of March 2017.

ATTEST: Clerk of the Council

**COUNTY COUNCIL
SAN JUAN COUNTY, WASHINGTON**

Ingrid Gabriel 3/27/2017
Ingrid Gabriel, Clerk Date

Rick Hughes
Rick Hughes, Chair
District 2

REVIEWED BY COUNTY MANAGER

Michael J. Thomas 3/22/17
Michael J. Thomas Date

William D. Watson
Bill Watson, Vice-Chair
District 1

RANDALL K. GAYLORD
APPROVED AS TO FORM ONLY

By: [Signature] 3/17/17
Date

Jamie Stephens
Jamie Stephens, Member
District 3

San Juan County
Affordable Housing Workgroup

Strategic Action Plan

March 10, 2017

**Affordable Housing Workgroup
Strategic Action Plan**

Overview: Affordable housing issues have been confronting the county for many years with numerous studies and community forums documenting housing concerns for low and moderate income households countywide. Recent reports and studies include, but are not limited to: 2015 Washington State Housing Needs Assessment; Draft Housing Action Plan dated May 2011; Opportunity Council's Prosperity Project 2015, United Way ALICE Report 2015; and 2015 San Juan Island Community Foundation Needs Assessment.

In March 2016, the County Council authorized a Workgroup to develop an Affordable Housing Strategic Action Plan. The goal was to develop four to six prioritized actions to address the housing issues. Actions were to consider all areas including: regulatory, funding, infrastructure costs, and land costs.

The Workgroup held five meetings between March and November 2016 and developed the attached Strategic Action Plan. The Action Plan includes a Vision, Identified Housing Needs, three Strategies, sixteen Actions, an Implementation Timeline, and Measures to Monitor Success. The Workgroup prioritized the following five actions, however, the workgroup indicated all actions should be implemented within the identified timeframe:

1. Identify and recommend a local affordable housing funding measure.
2. Develop a capital account to be used to purchase existing units when available.
3. Expand home repair and weatherization programs.
4. Develop a public/private partnership program to build affordable housing units and explore using publicly owned land to construct units.
5. Regulate vacation rentals (e.g. yearly permit with fees, inspections, ensure lodging tax is collected, add an impact fee to be used for affordable housing).

Workgroup Members:

| | |
|--|--|
| Bob Jarman - County Council | Richard Brown - Lopez Village Market |
| Duncan Wilson - Town Administrator | Greg Winter - Opportunity Council |
| Lisa Byers - OPAL Community Land Trust | Steve Hushebeck - Visitors Bureau & Town Council |
| Jacob Linnes - Island Market | Brent Snow - SJI School District Board |
| Jason Linnes - Island Market | Janet Brownell - OI School District Board |
| Sandy Bishop - Housing Bank Commission & Lopez Community Land Trust | Erica Shook - SJC Department of Community Development |
| Libbey Oswald - Kings Market | Mark Tompkins - SJC Health & Community Services |
| Peter Kilpatrick - Ravenhill Construction | |

Affordable Housing Workgroup Strategic Action Plan

Vision: Twenty years ago the citizens of San Juan County created a vision for the future. It included the goal to “Foster a sense of neighborliness and community pride so that there is housing for people of all incomes.” Efforts to date have fallen short. Today there is a deficiency in our affordable housing supply. As a community we understand the importance of sustainable affordable housing. We envision healthy, safe housing options for all who live here, including those who work, whether seasonally or full-time, as well as those who are on fixed incomes.

Identified Housing Needs:

- **Number 1:** Long-term Rentals; Serving individuals making between \$15 - \$20/hour; Rent Range \$680 - \$940/month.
- **Number 2:** Long-term Rentals (studios & one-bedroom units); Serving individuals with limited or fixed incomes; Rent Range \$0 - \$680/month.
- **Number 3:** Long-term Rentals; Serving Individuals making over \$20/hour; Rent Range \$940 - \$2,000
- **Number 4:** Short-term, Reduced Amenity Housing (e.g. dorms, studios, shared occupancy); Serving Seasonal Temporary Worker; Rent Range \$400 - \$500/month
- **Number 5:** Homeownership; Price Range \$80,000 - \$275,000
- **Number 6:** Housing with Supportive Services (e.g. Transitional or Group Housing)

Strategy 1: Educate Public on the Availability and Affordability of Housing in San Juan County.

Actions¹:

- A. Develop Frequently Ask Question (FAQ) documents
- B. Develop buildable land analysis [R]
- C. Complete housing needs analysis [R]
- D. Develop and implement a community engagement plan [PW]

Strategy 2: Increase the Availability and Affordability of Housing Stock in San Juan County.

Actions:

- A. Identify and recommend a local affordable housing funding measure [F]
- B. Consider incentives for construction of accessory dwelling units (ADUs) for year-round rentals with third party monitoring (e.g., density bonuses, change land use designations to allow on smaller lots; change land use to allow to be built further from main house, on a separate septic system, etc.) [R]
- C. Reduce permit fees and prioritize plan review for affordable housing projects [PW and F]
- D. Regulate vacation rentals (e.g. yearly permit with fees, inspections, ensure lodging tax is collected, add an impact fee to be used for affordable housing) [R]

¹ Action Category Key: [R] – Regulatory [F] – Funding [PW] – Political Will [D] - Design

- E. County and/or Town be positioned to apply for Community Development Block Grants [F]
- F. Develop a public/private partnership program to build affordable housing units and explore using publicly owned land to construct units [D and PW]
- G. Explore incentives and financing plans with utility providers [F and PW]
- H. Provide density bonuses to property owners creating affordable multi-family units [R]
- I. Evaluate 'farm worker housing' provisions to expand its use [R]
- J. Explore use of lodging tax funds for seasonal worker housing [R and D]

Strategy 3: Maintain Existing Housing Stock that is Affordable.

Actions:

- A. Develop a capital account to be used to purchase existing units when available [F]
- B. Identify and recommend a local affordable housing funding measure [F]
- C. Expand home repair and weatherization programs for existing housing stock [F]

Prioritization of Actions:

The Strategic Action Plan contains sixteen (16) distinct actions aimed at increasing/maintaining the availability and affordability of housing stock in San Juan County. The actions range from educating the public to recommending a local affordable housing funding measure. With the number and range of actions the workgroup felt it was necessary to identify the top three to five actions. Actions designed to increase/maintain affordable housing stock were prioritized based upon the difficulty to implement versus the potential number of units that could be achieved. Actions contained under Strategy 1 were not included in the prioritization exercise as these actions are designed to educate the public and not specifically to increase the number of units.

Listed below are the top five prioritized actions. However, the workgroup expressed support for implementation of all actions within the identified timeframes.

1. Identify and recommend a local affordable housing funding measure.
2. Develop a capital account to be used to purchase existing units when available.
3. Expand home repair and weatherization programs.
4. Develop a public/private partnership program to build affordable housing units and explore using publicly owned land to construct units.
5. Regulate vacation rentals (e.g. yearly permit with fees, inspections, ensure lodging tax is collected, add an impact fee to be used for affordable housing).

Implementation Timeline:

| Strategy 1: Educate Public on the Availability and Affordability of Housing in San Juan County. | | |
|---|--|-------------------------------------|
| Action | Timeframe from adoption by County Council | Primary Owner |
| A. Develop FAQ Documents | 1 month | H&CS |
| B. Develop buildable land analysis | 6 months | DCD |
| C. Complete housing needs analysis | 6 months | DCD |
| D. Develop and Implement a community engagement plan | 3 months | H&CS/DCD |
| Strategy 2: Increase the Affordability and Availability of Housing Stock in San Juan County. | | |
| Action | Timeframe | Primary Owner |
| A. Identify & recommend a local affordable housing funding measure | 24 months | HBC / CC |
| B. Consider incentives for construction of accessory dwelling units for year-round rentals w/third party contracts | TBD (County Council) | DCD |
| C. Review fee structure for building permits; use of stock plans; reduction/waiver for affordable housing projects; prioritize plan review. | 6 months | DCD |
| D. Regulate vacation rentals | 6 months | DCD |
| E. Apply for Community Development Block Grants | As needed | H&CS |
| F. Develop a public/private partnership program to build affordable housing units and explore using publicly owned land to construct units | 12 months | Town Administrator & County Manager |
| G. Explore incentives and financing plans with utility providers | 12 months | Town, Lisa Byers & Sandy Bishop |
| H. Provide density bonuses to property owners creating affordable multi-family units | 6 months 12 – 18 months | Town DCD |
| I. Evaluate 'farm worker housing' provisions to expand its use | 12 months | DCD |
| J. Explore use of lodging tax funds for seasonal worker housing | 18 months | County Manager |
| Strategy 3: Maintain Existing Housing Stock that is Affordable. | | |
| Action | Timeframe | Primary Owner |
| A. Develop a capital account to be used to purchase existing units | 24 months | HBC |
| B. Identify and recommend a local affordable housing funding measure | 24 months | HBC / CC |
| C. Expand home repair and weatherization programs | 24 months | HBC |

H&CS – San Juan County Health & Community Services

DCD – San Juan County Department of Community Development

HBC – San Juan County Housing Bank Commission

CC – County Council

Monitoring Success

| Strategy 1: Educate Public on the Availability and Affordability of Housing in San Juan County. | | |
|---|-------------------------|---|
| Action | Primary Owner(s) | Measure(s) |
| A. Develop FAQ Documents | H&CS | <ul style="list-style-type: none"> • FAQ document(s) • Documents posted on county website |
| B. Develop buildable land analysis | DCD | <ul style="list-style-type: none"> • Completed buildable land analysis |
| C. Complete housing needs analysis | DCD | <ul style="list-style-type: none"> • Completed housing needs analysis |
| D. Develop and Implement a community engagement plan | H&CS/DCD | <ul style="list-style-type: none"> • Community Engagement plan developed • Plan implemented |
| Strategy 2: Increase the Affordability and Availability of Housing Stock in San Juan County. | | |
| Action | Primary Owner(s) | Measure(s) |
| A. Identify & recommend a local affordable housing funding measure | HBC | <ul style="list-style-type: none"> • Funding measure identified • Funding measure placed on ballot • Key messages developed • Funding measure approved by voters |
| B. Consider incentives for construction of ADU's for year-round rentals w/third party contracts | DCD | <ul style="list-style-type: none"> • Review feasibility of third party monitoring contracts • Code language drafted • Code revision process initiated • Code language adopted |
| C. Review fee structure for building permits; use of stock plans; reduction/waiver for affordable housing projects; prioritize plan review. | DCD | <ul style="list-style-type: none"> • Fee resolution adopted reducing fees for affordable housing projects • Plan review process revised to prioritize affordable housing projects |
| D. Regulate vacation rentals | DCD | <ul style="list-style-type: none"> • Code language drafted • Code revision process initiated • Code language adopted |
| E. Apply for Community Development Block Grants | H&CS | <ul style="list-style-type: none"> • Application submitted annually. • Block grant(s) obtained for housing projects |

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| <p>F. Develop a public/private partnership program to build affordable housing units and explore using publicly owned land to construct units</p> | <p>Town Administrator & County Manager</p> | <ul style="list-style-type: none"> • Develop public/private partnership • Identify location(s) • Negotiated terms • Build project |
| <p>G. Explore incentives and financing plans with utility providers</p> | <p>Town, Lisa Byers & Sandy Bishop</p> | <ul style="list-style-type: none"> • Utility incentives and financing plans identified • Utility providers implement incentives and/or financing plans |
| <p>H. Provide density bonuses to property owners creating affordable multi-family units</p> | <p>Town & DCD</p> | <ul style="list-style-type: none"> • Code language developed • Code revision process initiated • Code language adopted |
| <p>I. Evaluate 'farm worker housing' provisions to expand its use</p> | <p>DCD</p> | <ul style="list-style-type: none"> • Farm worker housing provisions evaluated • Farm worker housing provisions modified and/or if necessary code amendments drafted |
| <p>J. Explore use of lodging tax funds for seasonal worker housing</p> | <p>County Manager</p> | <ul style="list-style-type: none"> • Review applicable law to determine use of lodging tax funds • If allowable, create lodging tax fund account for seasonal worker housing • Use funds to develop seasonal worker housing |
| <p>Strategy 3: Maintain Existing Housing Stock that is Affordable.</p> | | |
| <p>Action</p> | | |
| <p>A. Develop a capital account to be used to purchase existing units</p> | <p>HBC</p> | <p>Measure(s)</p> <ul style="list-style-type: none"> • Capital Account created • Funds identified and place in account |
| <p>B. Identify and recommend a local affordable housing funding measure</p> | <p>HBC</p> | <ul style="list-style-type: none"> • See measures under Strategy 2 A above |
| <p>C. Expand home repair and weatherization programs</p> | <p>HBC</p> | <ul style="list-style-type: none"> • Funds identified • Program expanded |