

San Juan County 2018 Home Fund

FAQ

1. Why are we talking about housing?

Working households and vulnerable populations are struggling to find homes they can afford. As the economy improves and jobs become more plentiful the lack of housing grows more acute. There are also more rentals removed from long term to short-term vacation rentals because the San Juan Islands are a tourist destination. The last several decades have seen increased demand for housing and a decrease in available long-term housing stock.

2. Who needs housing?

People in need of housing in San Juan County are households working in retail, homecare services, construction, education, health care, utilities, civil service and more. Wages in the county are among the lowest of all counties in the State of Washington, yet home prices are typically among the highest in the State. In addition, there are seniors, people with disabilities and a growing population of islanders who are homeless. Read the latest version of the County's Housing Needs Assessment as part of the Comprehensive Plan update here:

<http://www.sanjuanco.com/DocumentCenter/View/13231/10-16-17-Housing-Needs-Assesment--Second-Draft>

3. What steps have already been taken to address these issues?

San Juan County passed [Resolution 13-2017](#) adopting an Affordable Housing Strategic Action Plan in 2017 with the goal of creating a plan with prioritized actions to address housing needs in the County. The various stakeholders cited in the plan are actively working on implementing the strategies and actions assigned in the plan. San Juan County's general Affordable Housing Frequently Asked Questions document may also be found here:

<http://www.sanjuanco.com/DocumentCenter/View/11512>

4. What is the San Juan County 2018 Home Fund?

The Home Fund is a proposed local affordable housing funding source recommended to the County Council by the Housing Bank Commission as part of the actions assigned in the Affordable Housing Strategic Action Plan. On May 22, 2018 the San Juan County Council passed [Resolution 24-2018](#) setting an election for the imposition of a one-half of one percent (.5%) real estate excise tax (REET) for affordable housing on November 6, 2018. A real estate excise tax is applied to the sale of real property. It is a one-time fee paid at the time of a real estate sale and not an ongoing property tax.

5. Why was a REET chosen?

A REET authorized by Washington State law ([RCW 82.46.075](#)) serves the largest population of any available housing funding measure, up to 115% of the area-median income. The REET would not increase the property tax burden of County residents, and a REET is considered a stable source of revenue.

6. What can the Home Fund be used for?

The proceeds of the tax would be used exclusively for the development of affordable housing including acquisition, building, rehabilitation, maintenance and operation of housing. The Home Fund would fund the development and preservation of affordable rental and ownership housing in San Juan County through a competitive grant and loan process. In accordance with the County's Comprehensive Plan, the County would not directly develop, own or operate affordable housing units. Administrative costs for Home Fund programs are capped at 10%.

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FAQ cont.

7. Who would the Home Fund help?

Funds may be used for populations of “very low, low, and moderate-income persons and those with special needs.” Moderate-income population is defined by San Juan County Code as 115% of the area-median income, which is defined by HUD. Over 50% of County residents would be eligible for housing projects funded by the Home Fund. It is estimated that 404 households (5% of SJC 2016 households population) would benefit from new rental or ownership housing, or have their current rental housing preserved, during the initial 12 years of the Levy.

Examples of working households in the county who would be eligible:

- Average teacher salary in the San Juan Island School District
- Average Wholesale Trade salary
- Average Medical Lab Technician salary
- Average Technical Services salary
- Average Care Manager/Medical Social Worker salary

8. Why was the REET rate set at .5%?

The REET is authorized by RCW 82.46.075, and it is this RCW which sets the rate at one-half of one percent (.5%). The County does not have authority to change this rate, or the rates of other REETs currently in effect in the County until their sunset dates.

9. Who would pay the REET?

Individuals buying and selling real property would be responsible for paying this tax. The purchaser is responsible for paying 99% of the REET, with the seller responsible for the remaining 1%.

10. When would the Home Fund go into effect?

If approved by voters, the collection of funds would begin 30 days after the election is certified by the County auditor. The Home Fund would run from December 2018 to December 2030.

11. How much money would the Home Fund be expected to generate?

If approved by voters, the housing REET is expected to generate \$15,166,505 over 12 years. Because all REET funds awarded to projects would be expected to be a minority of project funds, REET funds are expected to leverage additional federal, state, and private funds by a factor of 3 to 4 times for a total housing funding influx of \$62,297,938.

12. How would the Home Fund be managed?

If approved by voters, revenues from the REET would be deposited into the Affordable Housing Fund, and the San Juan County Department of Health & Community Services, with oversight, input and direction provided by the County Council, would administer programs funded by the REET. Read the County’s REET expenditure plan here:

<http://www.sanjuanco.com/DocumentCenter/View/15304/Resolution-25-2018-Adopting-Expenditure-Plan-for-Tax-for-Affordable-Housing>