

Agricultural and Food System Housing Market Study for San Juan County

Prepared for the San Juan County Food System Team
in conjunction with the San Juan Makers Guild
by Monaghan Consulting
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Executive Summary

San Juan County is experiencing an affordable housing crisis and the gap in workforce housing is directly impacting the Farm, Food Services and Tourism economies. To increase food security and strengthen the local economy, it is important to support the growth of food production and food service labor forces. The future of local food and agriculture hinges on there being farmers and farmworkers who can afford to produce food in the islands, and food service workers available to keep restaurants and grocers open. Addressing housing needs is a key step in ensuring both food security and a thriving food system economy.

A core goal of this Housing Market Study is to clarify current food system-related housing issues and identify proven strategies from across the nation to assist San Juan County leaders in effectively tackling this pressing issue. Food system housing issues are part of the complex problem of affordable housing in San Juan County and directly impact food security and community resilience.

This project first surveyed previous studies and interviewed community housing and food system leaders to help establish a knowledge baseline. After identifying data gaps, the team developed tools and surveyed food system businesses countywide to quantify needs and housing crisis impacts. 15 community housing and food system leaders provided project design guidance, 83 agriculture and food businesses and community members responded to the survey, and 50 live interviewees informed a comprehensive overview of housing needs and potential solutions.

This process provided the opportunity to fill data gaps, distill key themes, and identify success models worthy of ongoing attention. The final report is an action-focused tool that shares the project approach, defines identified needs, maps out specific model solutions and includes implementation strategies drawn from the solution case studies. The resulting report is presented to assist food system and affordable housing leaders and the broader community in efforts to address the current housing crisis.

Findings

Farm and Food Businesses and individuals shared their knowledge, filled key food system housing knowledge gaps, and pointed to the below themes critical to addressing the current food system housing crisis:

- Until more affordable housing is available for agricultural and food system workers, farms and food-related businesses will be unable to expand and thrive.
- The lack of long-term rentals is a significant inhibitor to local business sustainability.

- Tiny houses are a critical tool needed to address food system housing needs, providing flexibility and affordability, both for employees of farms and other food businesses.
- Additional zoning/ regulation support for affordable housing should be explored to allocate housing close to where it is needed.
- Update needed for community-wide Housing Action Plan to focus on current and emerging challenges, including food system housing.
- Early momentum seems to be building for a multi-unit farmworker housing pilot.
- More funding needed for affordable housing projects, as demand increases and cost of land and construction climbs.

Solutions Briefs

This project gathered many thoughtful recommendations for case studies/ solution models. Themes that emerged were shared with the Food System Team and local affordable housing experts and, with their feedback, narrowed down to this short list of top themes, selected resources, and models. The report includes detailed Solution Briefs for each of the following topics:

1. More housing projects- local affordable housing groups are doing great work and there is a strong need for more projects.
2. More funding for addressing specific housing needs.
3. Multi-unit workforce housing projects.
4. Zoning and permitting guidance and reform.
5. Strategy and Collaboration- update the local housing action plan.
6. Other Innovative Ideas in response to community suggestions.

This project is funded in part through the USDA’s Regional Food System Partnership and the Northwest Agriculture Business Center.

Project Team and Core Stakeholders

Food System Team	Project Team	Affordable Housing Leaders
Caitlin Leck, <i>FST Coordinator</i>	Marcy Montgomery, Project Manager San Juan Makers Guild	Sandy Bishop Lopez Community Land Trust
Learner Limbach Orcas Food Coop	Joshua Monaghan, Project Coordinator Monaghan Consulting	Lisa Byers OPAL Community Land Trust
Faith Van De Putte Agricultural Resource Committee		Amanda Eichelberger San Juan Community Home Trust
Steph Coffey/ Emma Rastatter San Juan Islands Agricultural Guild		Melora Hiller Housing Lopez
Kristen Rezabek SJC Community Health Dept		Ryan Page SJC Housing Program Coordinator
Kate Mikulak/ Brook Brouwer WSU County Extension		

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Project Report

This report summarizes the project background, approach, and needs assessment learnings and presents action-focused solution case study briefs. Following the report, the appendices include a more in-depth collection of project resources and learnings.

Report Sections

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Background

For decades, San Juan County community organizations have been working on interrelated components of the food system to support the viability of farms and the health and strength of the overall local food system. Farm support organizations like the San Juan Islands Agricultural Guild, the San Juan Islands Conservation District, WSU Extension, the County Agricultural Resource Committee, and others, have focused on efforts including farmland protection, farm stewardship, land access, farmer succession planning, and market support. This critical work has had numerous successes, including the formation of the San Juan Islands Food Hub.

Concurrently, affordable housing organizations, including the Lopez Community Land Trust, OPAL Community Land Trust, San Juan Community Home Trust, Housing Lopez, and others, have developed and implemented strategies to tackle community affordable housing challenges, with many great successes, including numerous affordable housing developments. The recently established local affordable housing Real Estate Excise Tax (REET) is a strong, new local funding tool to support this ongoing work.

The 2017 San Juan County agricultural census identified 316 farms managing 18,402 acres of farmland and \$4 million of market value sales. Top crops include nursery/ greenhouse, mixed vegetables, fruit/tree nuts/ berries, organic grains, other crops/ hay, livestock.

In the recent Agricultural Viability Report (2020), Washington State University's Social and Economic Sciences Research Center characterized the state of agricultural viability in the San Juan Islands, reporting that 39% of farms plan to expand their operations, but that cost of on-farm infrastructure and farm labor are the two top barriers. Many farmers emphasized, farm worker housing is critical farm infrastructure.

In scoping this project, the San Juan County Food System Team included both farms and other non-farm food businesses (such as restaurants, groceries, food processors, and more) as the challenges are shared across the whole food system.

Food system housing issues are part of the complex problem of affordable housing in San Juan County and directly impact food security and community resilience. When island community leaders dig into the barriers to increasing local food production, a top barrier is labor, of which the most prominently cited underlying cause is a shortage of affordable housing options for workers. The housing market conditions of the last two years have only accelerated the affordable housing challenges across San Juan County. There is a growing urgency to build support for and implement solutions to address the current food system housing challenges.

Overview and Approach

The Food System Housing Market Study for San Juan County is a key step in clarifying the current food system-related housing issues and identifying proven strategies from across the nation so that San Juan County leaders can more effectively tackle this issue. With the goal to increase community knowledge of workforce housing issues, the project was designed to contribute research data on county-specific needs and to provide insights into potential housing solutions.

This project started with co-design and soliciting community input. The focus of the project was on needs assessment and case study exploration. This report summarizes the overall project process, elements, learnings, and recommendations.

Co-Design: January 2022

The work started by listening and learning from the experience and wisdom of San Juan County's local housing experts and other core team members. This work included interviews with a dozen community stakeholders to root the project plan in the existing local food system and affordable housing knowledge and insights. This information helped the Project Team design and fine-tune the project plan and project elements. Interviews explored current efforts, barriers, opportunities, and knowledge gaps that are holding back progress.

This input informed both the needs assessment tool design and the project approach to the case study research with the goal of ensuring that the project outcomes would serve the local needs. A summary of the co-design interview themes is included in Appendix I.

Needs Assessments: February- May 2022

In this phase, the project integrated the co-design input and other affordable housing insights and evaluation guidance to build two separate information gathering tools for local farm and food system businesses- a web-based survey focused on quantitative data, and an interview-based tool to gather more in-depth, qualitative data. Questions were designed to explore how much and what type of housing is needed, both currently and in the future, and the current and

anticipated barriers (zoning, costs, other, etc.). The web survey tool was piloted with the Food System Team and housing experts, then refined and deployed countywide with local food producers and food system businesses.

Initially, the project planned to deploy both the survey and interview tools concurrently. Through consultation with the Food System Team, the project timing was revised to stagger the two so that learnings from the web survey could be used to inform the interview approach.

The Project Team sent invitations to both the web survey and interviews to over 250 individual businesses via mailing lists provided by the Food System Team members, as well as through promotion at agricultural producer events and local media. The web survey was active from March 2, 2022-May 10, 2022. In early April, an initial synthesis of early web survey responses was completed, and insights were incorporated into the interview inquiry. Interviews were conducted between April 15, 2022-June 16, 2022. 83 survey responses were received, and the Project Team conducted interviews with 50 food system stakeholders. Interview conversations added invaluable depth to the characterization of challenges faced by businesses and added promising solution options to consider.

On May 12th, the Project Coordinator presented a project update, including a preliminary survey data report-out, as part of the San Juan County Agricultural Organizations Retreat. In early June, the Team compiled draft needs assessment findings and prepared to share out with project stakeholders to seek broad insights on both the data and on the case study candidate list. The draft data report-out was presented to both the Food System Team and to a meeting of local affordable housing leaders. These leaders shared feedback, guidance and insights on the data that helped focus and tune key themes.

At that time, the project team was invited to share an update with the County Council, in partnership with the Food System Team's report-out on its Community Food Assessment. This Council presentation was on June 28th. <https://media.avcaptureall.cloud/meeting/44792bb8-804e-4db7-aa30-7e9d3bce29d9>, starting just after minute 19:30 on the recording.

A summary of the needs assessment findings and themes follows in the next section of this report. The needs assessment tools are included in Appendix II. Appendix III includes the data shared at the County Council presentation on June 28th.

Solutions Briefs (Affordable Workforce Housing Case Study Research): *March- June 2022*

Case Study work started with gathering recommendations for candidate case studies from all co-design and needs assessment interviews. Case study candidates were sought from the local community and from other areas with similar housing/land use/permitting constraints, where communities have been successful in increasing local available housing for food business needs.

In late May, the project team compiled a list of 27 initial candidate solution case study rankings and summarized them into key theme areas. The emerging themes were shared with the Food System Team and affordable housing experts, who helped clarify key theme areas. For each

theme, the project team identified resources and related case study models that best meet local community needs. The individual solution briefs were then drafted for inclusion in this report. A full list of the case study solution brief candidates and preliminary ranking is in Appendix IV.

Final Report: July- August 2022

This final report is intended as an action-focused tool that shares the project approach, defines identified needs, maps out specific model solutions, and highlights implementation strategies drawn from the solution case studies.

Chart 1: Project Overview Timeline:

Activity	Description	Jan	Feb	Mar	Apr	May	June	July
Co-Design	Engaged community leaders; set project goals and plan via interviews, core team input							
Housing Needs Assessment	Deployed assessment tools: online survey and stakeholder interviews							
Case Study Research	Compiled solution briefs: lessons from local, regional food system/ housing efforts							
Community Share Out	Presented project updates input at Agricultural Retreat, County Council							
Project Report	Wrote up study: co-design learnings, assessment results, solution briefs							

Needs Assessments

The project received strong response from the web survey and gathered rich in-depth insights from the follow up interviews. The data gathered helped fill knowledge gaps around food system housing needs and the economy and food security impacts of inadequate housing availability. The report also highlights successful food system/ affordable housing models worthy of further attention. The interview conversations allowed the project team to dig into and pull-out thoughtful insights from participating farm and food business owners and were a vital source for initial case study recommendations. Below are some summary graphs and data highlights. Please see the Appendix III for the full results.

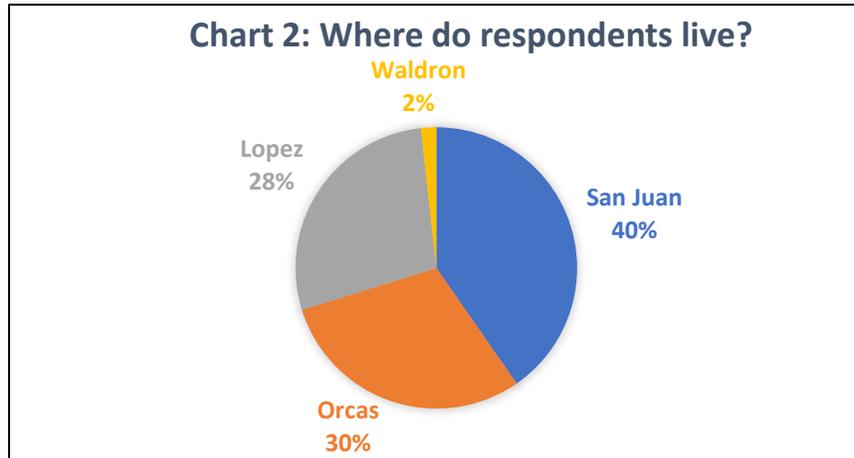
90% of respondents indicated that housing challenges had impacted their business, limiting growth, reducing hours, closing businesses. 50% could grow businesses in the next 3 years if workforce housing were not a barrier.

Survey Highlights:

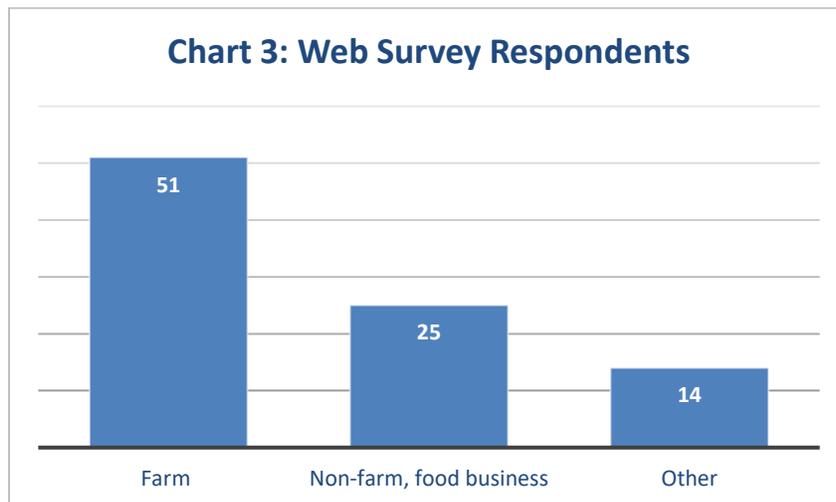


About the Respondents

- Spread across Islands (40% San Juan, 30% Orcas, 28% Lopez, 2% Waldron)



- 83 survey responses- (51 farms, 25 food businesses, 14 other).

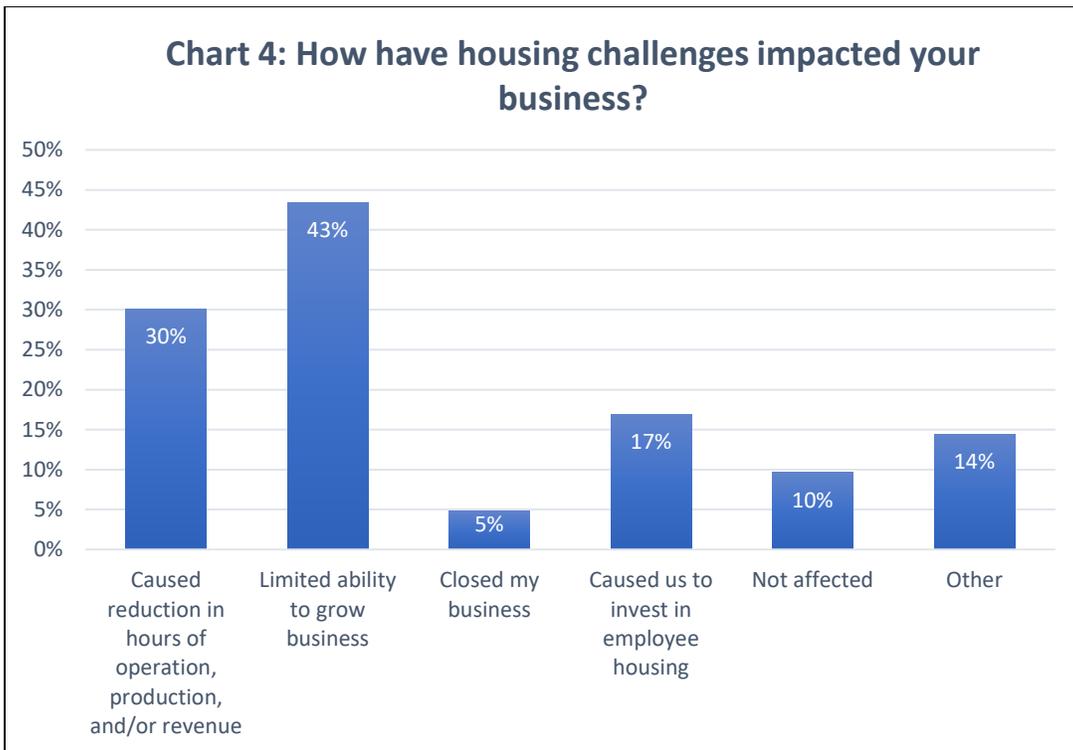




Financial Impacts

- \$13m in food system-related annual sales was reported by respondents (estimated).
- 90% of respondents indicated that housing challenges had impacted their business, limiting growth, reducing hours, and closing businesses.
- Businesses could grow by 50% in the next 3 years if workforce housing were not a barrier.
 - 52% of respondents said they would increase hours.
 - 46% said they would hire more staff.
 - 41% said they would invest in business growth.

Chart 4: How have housing challenges impacted your business?



People Impacts

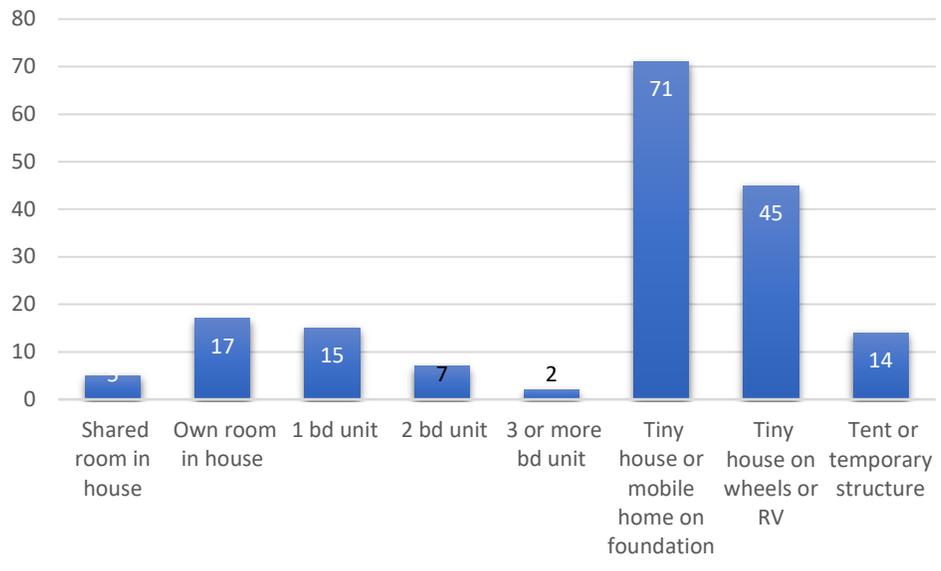
- 290 employees lost/ not hired because of lack of housing in last 3 years.
- Impacting both seasonal and year-round positions.
- Hiring for 101 openings (at time of survey) and would plan to add 320 positions over next 3 years if housing were available.



Housing Needs

- 274 affordable housing units needed in next 3 years (tiny houses to rentals).

Chart 5: What housing is your business interested in acquiring/ providing for workers?



Interview Highlights:

- 50 interviewees (18 farm, 14 food businesses (non-farm), 18 housing experts/other).
- Spread across Islands (37% Orcas, 34% Lopez, 29% San Juan).
- Rich reflections about barriers and possible solutions. These conversations were vital in developing clarity on top challenges and created a space for thoughtful sharing of possible solutions. See Appendix III.
- Top Barriers- overall costs, zoning and regulations restrictions, and community attitudes about building new housing.
- Popular Solutions- Tiny houses; multi-unit housing; zoning/ regulatory changes to make building housing easier (including changes to open space program rules); increase funding for affordable housing; build more affordable housing.
- Construction Bottleneck Ideas- Off-island construction (examples included Nichol Bros housing and new fabrication like the recent Housing Lopez project); bring in cost saving building solutions specifically for affordable housing projects.
- Other Innovative Ideas- Tax vacant homes (like in Vancouver, BC); create incentives for construction of long-term rentals (such as prioritized/ lower cost permitting; open-space-like tax savings for affordable housing, and more); expand income ranges that are eligible for affordable housing; add late night inter-island ferry which could permit folks to work on other islands from where they live.

Project Findings

Once data was compiled, the preliminary rankings of challenges and opportunities were tallied, and the solution list was ranked and plotted on a 3-D scale of time, effort, and cost. This helped narrow the larger recommendations list to the draft top themes list. The draft themes were shared with Food System Team and local affordable housing experts to help distill into the below project findings, which were shared in the County Council presentation:

- Until more affordable housing is available for agricultural and food system workers, farms and food-related businesses will be unable to expand and thrive.
- The lack of long-term rentals is a significant inhibitor to local business sustainability.
- Tiny houses are a critical tool needed to address food system housing needs.
- Additional zoning/ regulation support for affordable housing should be explored.
- Update needed for community-wide Housing Action Plan, including food system housing.
- Early momentum seems to be building for a multi-unit farmworker housing pilot.
- More funding needed for affordable housing projects, as demand increases and cost of land and construction climbs.

These proposed options for addressing the food system housing challenges are opportunities to improve the remote islands' vulnerable food security and contribute significant growth to the local economy.

Solution Briefs

This study highlights housing needs within the food system and summarizes next actions in the solution briefs. The needs assessment work was tailored to fill important local affordable housing data gaps. The Solution Briefs are designed to be 1-2-page, action-oriented tools to focus local efforts on priority affordable housing themes.

The top themes above were used to frame and prioritize which solutions to highlight in this report. The Solution Briefs included in this report are:

1. Develop more housing
2. Secure more funding
3. Pursue multi-unit housing
4. Zoning and Permitting
5. Coordinated Housing Action Plan
6. Other Innovative Ideas in response to community suggestions

The solution briefs gather and share solution recommendations and related examples that emerged from interviews. This project focused on housing challenges and opportunities that are specific to farm and food-businesses. The project team recognizes that this scope represents only a slice of the housing challenges ever-present throughout San Juan County and beyond. Some of the below themes are specific to food system needs, while many others are relevant to the whole community and invite expanding the scope in follow up work.

These solution briefs reflect the six top theme areas that emerged from the interviews. Under Following each solution brief topic and recommendations and specific example solutions are described. While presented in six categories, many cross-cutting solutions could easily have been listed in more than one theme area. Some solutions, such as exceptional community land trust work, are local to San Juan County and are worthy of deeper investments and scaling up. Others may be new to many in San Juan County, coming from examples across the country, and invite further exploration.

San Juan County Food System Housing Study-Solution Brief

1. Develop more community housing projects

Recommended Action: Continue and expand development projects that designate housing for owner and renter-occupied inventory, especially lower cost housing options.

Context: Like many areas across the country, new housing development in San Juan County has lagged behind housing needs for decades. Data from County level housing needs assessments over the last 20 years shows that this trend has gotten worse, especially since the home mortgage crisis.

For decades, County Housing Needs Assessments have indicated “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 purchase a home... No multi-family building permits were issued between 2009-2015.” *San Juan County draft Housing Element for Comprehensive Plan 9-09-2021.*

At the same time, the percent of housing stock in the County that is vacant (not owner/renter-occupied) has increased from 34% in 2000 to 43% in 2010, with current estimates close to 50%. These serve as private vacation homes and short-term vacation rentals. This number has further increased over the last decade, with a significant bump during COVID. This has resulted in less available affordable housing, with an especially significant drop in long-term rental properties.

Solution Examples:

Community Land Trust (CLT) projects- CLTs are often cited as a strong model for developing affordable housing. San Juan County is very lucky to have 3 such organizations working on housing issues- Lopez Community Land Trust (LCLT), OPAL Community Land Trust (OPAL) on Orcas Island, and San Juan Community Home Trust (SJCHT). For over 30 years, these organizations have been creating permanently affordable housing for low- and moderate-income island residents. In recent years, they have increased their county-wide coordination. Here are a few highlights of this work:

[Lopez Island Farm Trust](#) is a project of the LCLT, focused on preserving working farms and farm housing. Currently, two farms have been protected through their work (Stonecrest Farm and Lopez Sound Farm & Forest Preserve).

[Wild Rose Meadow](#) is an affordable homeownership project built in 2010 with 32 homes and, like many OPAL neighborhoods, features a large community garden.

[Salal Neighborhood](#) in Friday Harbor (SJCHT). This project used a modular building company to keep the houses affordable.

San Juan County Food System Housing Study-Solution Brief

Rental Housing Development- Many folks cite the lack of rental housing as a critical gap in housing options across the County. For some CLTs, adding a separate rental housing program is not a good fit because it would bring them into a whole new business area, requiring new staff and higher levels of onsite management. On Orcas Island, OPAL did expand their work into rental properties to begin to address this need. On Lopez, a group of community members saw this need and formed Housing Lopez, which focuses on creating affordable rental housing.

[April's Grove](#) (OPAL) is the largest affordable rental housing project in San Juan County (as of 2020) with 45 townhomes.

[The FishBay Cottages Project](#) is the first rental housing property developed by Housing Lopez and features modular housing constructed off island to reduce costs and shorten the construction timeline.

Owner-built affordable housing- is another approach that has been used in recent years to reduce the cost of construction by enlisting future owners in the work. [Homes for Islanders \(HFI\)](#) has used this approach, securing USDA loans available to low-income families. Even with the help of loans and sweat equity, however, HFI closed down its work in the county due to a lack of land opportunities. Lopez Community Land Trust has operated a similar sweat-equity program on Lopez for 33 years.

Conclusion: San Juan County needs more affordable housing for farm and food system workforce, as well as other island residents who cannot access market rate housing. The increase in percent of housing stock owned and vacant (vacation housing) is putting additional pressure on available housing stock, especially on long-term rentals, so projects like those listed above are critical to help ensure that affordable housing for County residents remains available into the future.

San Juan County Food System Housing Study-Solution Brief

2. More funding for specific housing needs

Recommended Action: Continue to expand affordable housing funding toolbox.

Context: Affordable housing costs have been climbing steeply in recent years. Limited funding resources continue to be a bottleneck in efforts to build needed affordable housing developments. Furthermore, most available funding is restricted to the housing needs of only the lowest income residents. In San Juan County, middle income community members also need housing support to afford living in the islands.

The 2017 Housing Strategic Action Plan made note of this challenge and helped focus support for establishing the SJC Home Fund, a real Estate Excise Tax first funded in 2019. The Home Fund has brought in \$10 million and can fund projects that serve households in a wider income range. In 2022 the applications for the Home Fund outstripped the available funding 2:1. With today's development costs and pressures, the need for expanded affordable housing funding is even more urgent.

Solution Examples: Stakeholders shared several promising funding examples worth investigating and expanding to address the affordable housing needs.

[San Juan County Home Fund](#)- in 2018, the County established a new real estate excise tax to fund affordable housing projects. This is a high impact funding tool that followed from a 2017 Housing Strategy Action Plan recommendation. This local funding can be tailored to meet local needs, such as support for moderate-income housing, and can be used to leverage and match regional, state, and federal funding sources. Some suggested that bonding this funding could be a possible approach to purchase land for affordable housing, though others noted current local political barriers to this option. [San Juan County Voters Pass Real Estate Excise Tax, Housing Trust Fund](#)

[USDA- farmworker housing support](#)- This federal program offers both grants and loans to support farmworker housing development and maintenance, both on and off farms. Many of the farmworker project examples in Solution #3 rely on this funding. The [Office of Rural and Farmworker Housing](#) is a statewide organization that partners with local communities to use this funding source to develop affordable housing projects.

[Transfer of Development Rights - King County](#)- Development rights transfer is a tool used to both preserve open space and farmland and to steer development into cities and urban growth areas (such as Friday Harbor, Eastsound, or Lopez Village). Some stakeholders flagged that the current land preservation in San Juan County (both farmland and open space) is reducing the net housing development available to the community. Because San Juan County has a high level of vacant properties, a Transfer of Development Right approach would need to be tailored locally; if successful, this approach could both preserve land and increase affordable housing investments.

San Juan County Food System Housing Study-Solution Brief

* [Steamboat Springs Short Term Rental restrictions and proposed 9% tax](#). In June 2022, Steamboat Springs, Colorado passed a Short-Term Rental (STR) ordinance to address lack of affordable rental housing. The ordinance restricts new STRs housing and proposes a 9% tax on STRs to fund affordable housing. The [Municipal Research Service Center \(MRCS\) has related resources](#); see also the [Associated Press article](#). [Vancouver Empty Home Tax \(Vacancy Tax\)](#). Properties deemed or declared empty are subjected to a tax of 3% of the property value. The tax does not apply to principal residences, homes that qualify for an exemption, or homes rented for at least six months of the year.

Many stakeholders identified vacant homes and vacation homes as a key part of the problem. This Vancouver tax was motivated by the impact that short-term vacation rentals were having on the city's already tight rental housing market.

Currently, there are at least four cities considering similar action, including- Santa Cruz, Berkeley, San Francisco, and Washington, DC. [Why an Empty Home Tax for Santa Cruz? – Empty Home Tax](#). The [Municipal Research Service Center](#) offers other resources to address the impacts of short-term vacation rentals on affordable housing.

*These new taxing strategies will likely require state-level legislative changes before they could be used locally.

Here are three additional programs that use funding in creative ways to maintain and expand affordable housing in existing buildings:

[Vermont Farmworker Housing Repair Loan Program](#) offers forgivable loans to \$30,000 to assist farmers in making essential repairs and necessary improvements to farmworker housing. This program was an outcome of a 2021 statewide farmworker housing needs assessment and is operated by the Champlain Housing Trust, a community land trust that has a longstanding focus on supporting farming.

[Real Community Rentals](#) is a program of the Community Land Trust Association of West Marin that offers incentives and support to homeowners willing to create rentals on their properties and set rents at reasonable rates.

[Vashon HouseHold Home Share Program](#) is a new program to encourage people to share existing homes, scheduled to launch this fall. This is the work of Vashon HouseHold, a community land trust focused on creating homes that remain permanently affordable, including both rentals and homeownership.

Conclusion: Affordable housing is capital-intensive. Exploring the above options will be a key part of securing the expanded funding needed to make progress in addressing the housing needs of the community. Given the urgency of affordable housing across Washington, there may be growing appetite for legislative efforts to expand state-level funding options.

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3. Multi-Unit projects

Recommendation: Support multi-unit housing projects, as these especially have lagged over the last decade. This support can include funding, as well as permitting and zoning actions.

Context: Multi-unit housing (duplexes, triplexes, cluster developments) are an important piece of housing stock in any community and are not common in San Juan County. Over the last 15 years, there have been very few multi-unit developments permitted. In communities with high land costs, adding some density to housing is a critical way to create affordable housing.

Through this project, community members described current and future plans for multi-unit housing that could serve as model and inspiration as San Juan County seeks to address the current affordable housing crisis. Some recent examples are described in Solution Brief 1. Below are some additional examples.

Solution Examples:

[Harbor View Apartments \(Friday Harbor\)](#) is a project focused on keeping housing affordable through transferring ownership and the rehabilitation of existing housing. Securing and maintaining existing affordable housing is a key housing strategy, and this is a great local example. This project was developed by the Opportunity Council, the Office of Rural and Farmworker Housing and others. Financing came from the Washington State Housing Trust Fund, USDA Rural Development, Federal Home Loan Bank of Des Moines Affordable Housing Program, Low-Income Energy Assistance Weatherization Program, and the San Juan County Home Fund. Source: [ORFH Annual Report 2020-21 — Office of Rural and Farmworker Housing](#)

[Morales Farm housing](#) project, on farmland owned by the City of Bainbridge, is an example of small-scale farmworker cluster-housing. The farm is managed by [Friends of Farms](#) (FoF) and in July 2022 broke ground on work to both repair and maintain the existing Morales Farmhouse and to build 3 satellite bedroom structures. [Council authorizes Friends of the Farms to develop intern housing on Morales property | Bainbridge Island Review \(bainbridgereview.com\)](#)

[Chimacum Creek Watershed and farmworker housing](#)- in collaboration with local and state partners, Jefferson Land Trust is expanding their Working Lands Initiative, beyond preserving farmland to explore the potential for clustered, affordable farmworker housing on portions of preserved farmland. This work is definitely something to watch as it develops further.

[Skagit County Seasonal Farmworker Housing in Burlington, Wa](#) is a larger, multi-unit community-based farmworker housing development for the Skagit Valley. This project includes 14 eight-bed units, serving up to 112 individuals. The individual units are noteworthy for their flexibility to both meet the needs of individuals and families at a

San Juan County Food System Housing Study-Solution Brief

relatively low per unit cost. A smaller scale version of this approach could be adapted to serve multiple farms on one Island in the San Juans.

The Skagit project was developed by Housing Authority of Skagit County, Office of Rural and Farmworker Housing and others, with financing from USDA Rural Development Section 514/516, Washington State Housing Trust Fund, Federal Home Loan, Bank of Des Moines Affordable Housing Program, and the US Dept of Labor.

Source: [ORFH Annual Report 2020-21 — Office of Rural and Farmworker Housing](#)

Intentional Community Housing/ Cohousing- These are models for building multiple-unit housing, either in clustered sites or in apartment buildings.

Three regional Cohousing models show what this can look like for new developments- Bellingham Cohousing, Vashon Cohousing, and Winslow Cohousing (Bainbridge Island). In these communities, families joined together to form cooperative corporations or condominium communities that develop and own the property. Residents are members and have a proprietary lease for a specific home. Cohousing is a type of multi-unit development that emphasizes community at the core. These are examples of developments from the ground up and took many years to go from vision to community homes.

- [Bellingham Cohousing](#) - a clustered neighborhood using a farmhouse as a shared community building with surrounding orchard, garden, and wetland areas.
- [Winslow Cohousing – Intentional community in downtown Bainbridge Island](#)
- [Vashon Cohousing – Island Alternative Living](#)

In Portland, there are two examples of converting existing apartment buildings to intentional community housing developments. One uses a rental model (Kailash Ecovillage) and the other uses a condominium model (Columbia Ecovillage). In both cases, they were able to get the projects up and going faster than traditional Cohousing development because they converted existing apartment buildings.

- [Kailash Ecovillage | Intentional Community | Portland](#)
- [Columbia Ecovillage](#)

Conclusion: Developing multi-unit housing is a key part of addressing the affordable housing crisis in the San Juans. The above examples highlight a few great regional projects. The County will be an important partner in this work, as current zoning and permitting rules may need to be adjusted to allow these projects to move forward. The County's current work to include Tiny House development projects could be part of this work, with several farms having expressed interest in being pilot sites.

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4. Zoning and Permitting

Recommendation: Explore zoning and code changes that target better affordable housing outcomes, not just policy change outcomes.

Context: Zoning regulations often limit overall affordable housing development and the diversity of housing development. This is usually more limiting in higher income communities. Housing experts across the country frequently point to restrictive local zoning as one of the top reasons that new housing development has stalled or lagged in many communities, directly impacting affordable housing stock. In the 2017 Affordable Housing Workgroup Strategic Plan, the workgroup identified several important regulatory changes needed to increase the availability and affordability of housing stock in San Juan County. The plan recommended several zoning and regulatory actions including: “Consider incentives for construction of accessory dwelling units (ADUs) for year-round rentals with third party monitoring, reduce permit fees and prioritize plan review for affordable housing projects, provide density bonuses to property owners creating affordable multi-family units, and evaluate ‘farm worker housing’ provisions.”

Five years on, it would be useful to assess progress on these recommendations and consider expanding the regulatory toolbox available to tackle this affordable housing crisis.

Solution Examples:

[MRSC affordable housing techniques and incentives](#)- the Municipal Research and Service Center (MRSC) has collected a rich library of affordable housing resources, including best practices and case studies from numerous jurisdictions from across the state and beyond. These tools include density bonuses, inclusionary zoning, partnerships with nonprofits, expedited permitting and permit streamlining, reduction/waiver of fees, surplus public property, design standards, reduced parking standards, and pre-approved building plans. Many of these strategies could help San Juan County better support affordable housing projects.

[Transitional Zone designation](#) (Whatcom County) This zoning designation is a means to provide housing on lands in agricultural areas that “create and protect a permanent network of interconnected open space and provide the opportunity for development of building sites which maximize the efficient use of both infrastructure and land by allowing an option for clustering residential lots.” In the San Juans, there are lots 5 acres and under, adjacent to larger farm parcels, often with an existing farmhouse, that are well suited for cost and transportation efficient clustered farm and food worker rental housing. (Agricultural zone area infill is eligible for USDA off farm low interest loans and housing subsidies for workers, to ensure accessibility and affordability.)

[Farmworker Housing Guidance \(King County\)](#)- This factsheet was developed to help farmers understand and navigate the often-confusing permitting process related to

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building farmworker housing. It includes an overview of the related state and local laws, with specific standards spelled out, and a workflow for the permitting process.

[Marin County- Affordable housing/ ADU/JADU fee waiver program](#)- This program is an example of a municipal strategy. Property owners in unincorporated Marin County can apply to receive building and planning fee waivers for the development of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs).

*[Vancouver Empty Home Tax](#) (see Funding section, above)- A program like this could expand funding for affordable housing. Stakeholders shared that state code changes may be required to implement this type of program. *Not current option under Washington state laws. Would require legislative actions to allow.

[Renter's Rights- San Francisco Rent Board](#)- This program implements a city Rent Ordinance designed to “safeguard tenants from excessive rent increases and... to assure landlords fair and adequate rents consistent with federal anti-inflation guidelines.” Many interviewees highlighted the very fragile nature of rental arrangements in San Juan County, where many month-to-month housing is at risk of eviction on short notice. Programs like this are intended to create more rental housing stability.

[Short Term Rental Ordinance- Santa Cruz](#) sets limits on short term rentals (STR) to reduce ongoing loss of long-term rental housing. To be eligible to offer a STR in Santa Cruz, owners must live for more than 6 months per year in the residence. The City of Santa Cruz has also developed a guide for other jurisdictions considering this strategy: [A Practical Guide to Effectively Regulating Short-term Rentals \(cityofsantacruz.com\)](#)

Conclusion: These resources offer some proven tools to address local regulatory barriers to affordable housing. There is a growing recognition across the country that communities need to update zoning policies to improve housing availability and affordability. It is noteworthy that this was a significant element of nearly all the 2020 democratic presidential candidates (Schuetz. [Fixer-Upper: how to Repair America's Broken Housing Systems](#). 2022. p145.)

Regulatory reform work was called out in the San Juan County Affordable Housing Workgroup Strategic Action Plan, but for the most part, there has been limited regulatory progress. The County's current work on Tiny House Communities is a promising example of local zoning reform that could meaningfully support affordable housing needs. The exploration of the County's allowance of rural residential clusters in some land use areas is an opportunity to provide compatible rural-designed housing with open view plane goals, and to ensure the future of food production in the County by supplying an adequate workforce.

Some San Juan County residents continue to resist changes to traditional single-family house zoning. Many interviewees shared that to make progress on regulatory changes, more community members need to better understand the affordable housing crisis, to speak out for solutions, and to discourage resistance to necessary changes that will allow affordable, multi-family housing options going forward.

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5. Update the Housing Action Plan

Recommendation: Update San Juan County Affordable Housing Strategic Action Plan.

Context: In March 2017, San Juan County Council approved a strategic action plan that prioritized top affordable housing actions. The work began in 2016 when the County Council authorized a Workgroup to address the housing issues and consider regulatory, funding, infrastructure costs, and land costs.

Over the last 5 years, local affordable housing groups have worked together and made significant progress towards several of the action plan goals. At the same time, new challenges, including escalating housing prices and the decline in available long-term rentals, make affordable housing work even more urgent than ever.

Since 2017, housing prices have climbed, and several affordable housing organizations have pivoted to prioritize affordable rental properties, which was not recognized as a top priority in the 2017 plan.

Like the emerging rental housing focus, there are likely other actions that need to be elevated in an update to the Affordable Housing Workgroup Strategic Action Plan.

Through interviews, affordable housing leaders shared that the County plan needs to be updated and that Friday Harbor is embarking on a town housing action plan. The community is poised for an updated action plan to guide coordinated work over the next five years and beyond.

Past Plan: 2017 Strategic Action Plan

The past plan got results. In 2018, San Juan County voters approved a real estate excise tax (REET) to expand funding for affordable housing- the San Juan County Home Fund. This directly supported the Action Plan's top priority: "ID and recommend a local affordable housing funding measure." The full 2017 plan can be found here- [Affordable Housing | San Juan County, WA](#)

Conclusion: The Plan in 2017 was focused, streamlined, and effective. The local affordable housing community is poised to update this plan, in partnership with the County and the broader community, and to renew coordinated focus tackling current affordable housing challenges. This will include making improvements in existing housing mechanisms and exploring new methods for increasing housing stock.

The project team recognizes that the food system housing needs and themes presented here are an integrated part of the affordable housing picture in San Juan County, not separate. The existing housing action plan initially stimulated several positive actions and contains recommendations that deserve ongoing attention and support.

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6. Other Innovative suggestions from the local community

Recommendation: Further explore other innovative ideas raised by the community.

Context: Through this project, and particularly through interview conversations, the project team heard strong support for the top 5 themes described in the Solution Briefs above. In addition, some other innovative suggestions emerged that may be worth further exploration (partial list below). For the full list, see the Combined Solutions in Appendix III.

- Tiny home communities - track anticipated changes in code to ensure they result in desired housing outcomes.
- Tiny home community management program for each island. This could be a nonprofit housing organization that acquires and manages a community of tiny houses, or it could be a model in which farms could be incentivized to create the utility infrastructure needed to lease and site the tiny houses.
- Explore regulatory support, funding, and incentives to help food businesses fast-track worker housing in Urban Growth Areas.
- Select pilot sites on each island where an existing farmhouse on a 5 acre or smaller parcel, outside the UGA, can become a central shared farmworker home with permanent or temporary clustered housing in a cooperative rental model.
- Tax vacation rentals to expand funding for affordable housing.
- A formal farm school program could provide education, housing, transportation, and work assignments to increase the availability of farmworkers and future farmers.
- Open Space Program changes are needed to preserve and add to farm housing, including adding flexibility for housing for both retiring and new farmers to support farm business succession.
- Off-island housing construction to speed development (lack of availability of on-island contractors is a limiting factor for new construction).
- Expand affordable housing developments to include moderate and middle-income members of the workforce struggling with housing access.
- When County surplus land comes available, use for long-term affordable housing.
- County could lead on identifying foreclosure properties for affordable housing.
- Establish a portfolio of County-pre-approved small housing designs to fast track permitting. Note-SJC DCD is currently working on this and could expand this to include designs for ADUs.
- Pays condo owners to convert their short-term rentals to long-term rentals for local workers. (Some noted this has significant negative equity concerns).

Conclusion: The project team was impressed by the community interest and wisdom for tackling this crisis. Further engaging the broader community will likely expand both the possible viable solutions and the depth of broader support to tackle the challenges ahead. Themes like

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these could be further explored as part of updating to the housing action plan or as ongoing, stand-alone projects.

Another important next step recommended by several affordable housing leaders will be to invest in a comprehensive housing needs study focused on the general population. In addition, there is a need to gather perspectives and insights directly from community members seeking housing. Identifying the condition and improvement needs of currently available affordable homes could be an important part of this work. Key leads/partners in this work will be the community resource centers on each island. It would be valuable to learn more about both the quality and quantity of current housing available and to secure funding to solve safe housing issues.