

# Food System Housing Study

San Juan County

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## Project Findings: report release & community conversation

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## ▀ Tonight's Agenda

1. Project Overview
2. Report
3. Learnings from survey and interviews
4. Introduce Solution Briefs
5. Questions & Discussion

# ■ Housing Study Project

## Project Goals:

- Increase community understanding of impacts of housing crisis on local food production.
- Fill data gaps, highlight successful models.
- Build off/complement, existing workforce housing efforts.
- Lay foundation for farmers and community groups to compete for USDA and state affordable housing funding.

# Collaborative Project Design





# Needs Assessments

## Food System Housing Survey for Employers

By participating in this survey, you are helping both food system and affordable housing leaders in San Juan County better understand the unique housing challenges of food system businesses and focus their work together toward meaningful solutions going forward. This survey takes 10 minutes to complete.

Are you able to help?

[YES, I AM READY TO BEGIN. >](#)

Web survey- 83

Interviews- 50+



Joshua Monaghan, Monaghan Consulting

### Farm and Food Business Insights on Housing Challenges

🕒 45 min

Dear San Juan San Juan County Farms and  
Food Businesses,

[We Need Your Help](#)

#### Select a Date & Time

May 2022

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

# Survey Data

- **83 businesses** and individuals responded to survey (51 farm, 25 food, 14 other).
- **Spread across Islands** (40% San Juan, 30% Orcas, 28% Lopez, 2% Waldron).
- **\$13m** in food system- related annual sales (estimated).
- **Employ over 500** individuals.
- Currently hiring for **101 openings**. Would add 320 over next 3 yrs.
- **290 employees** left/ not hired because of lack of housing in last 3 years.
- **274 affordable housing units needed** in next 3 years (tiny houses to rentals).
- **Could grow 50%** 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.

# Agricultural and Food System Housing Market Study for San Juan County

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

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

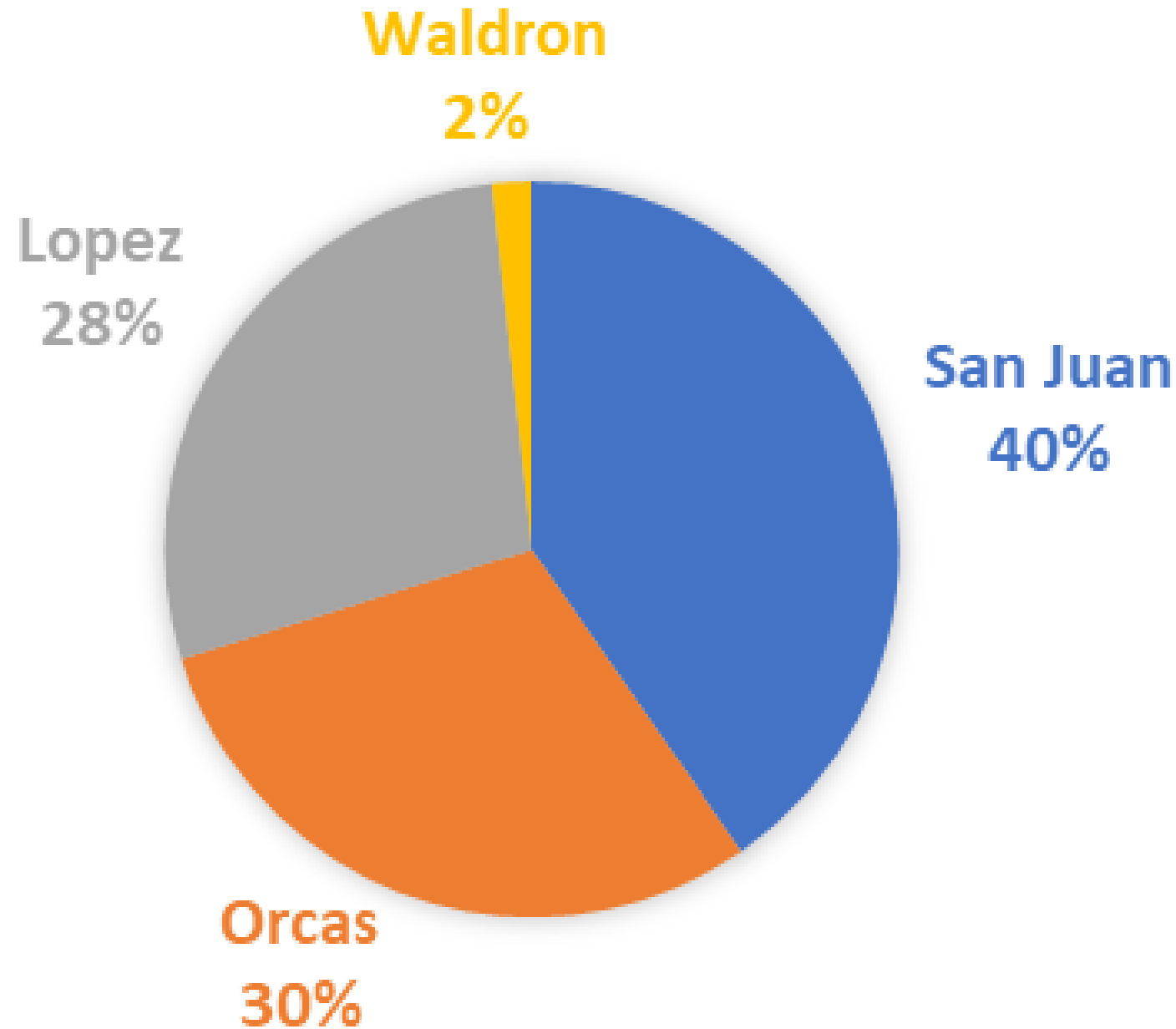
## Needs Assessment Results

90% of respondents indicated that housing challenges had impacted their business, limiting growth, reducing hours, closing businesses.

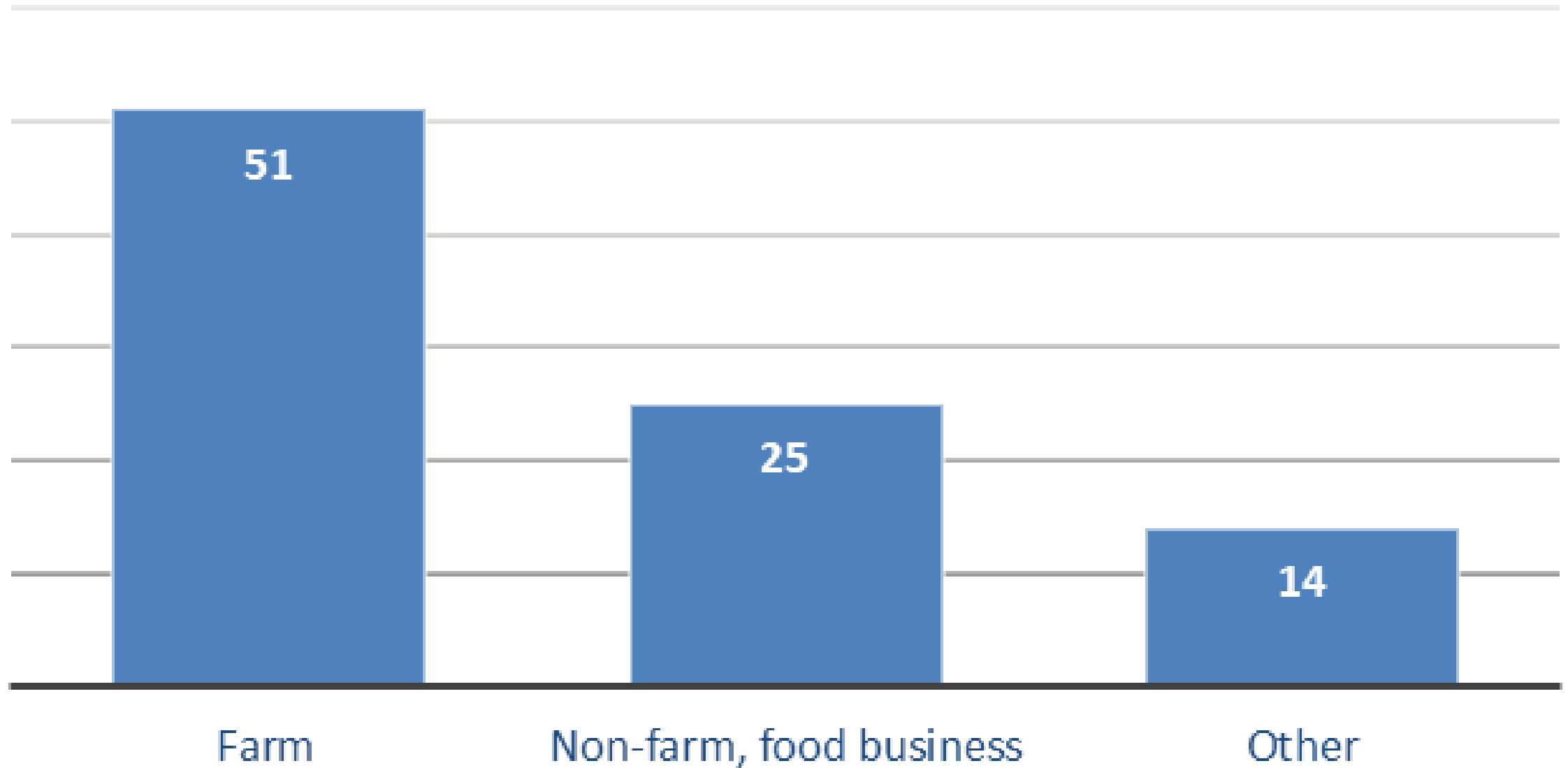
50% could grow businesses in the next 3 years if workforce housing were not a barrier.



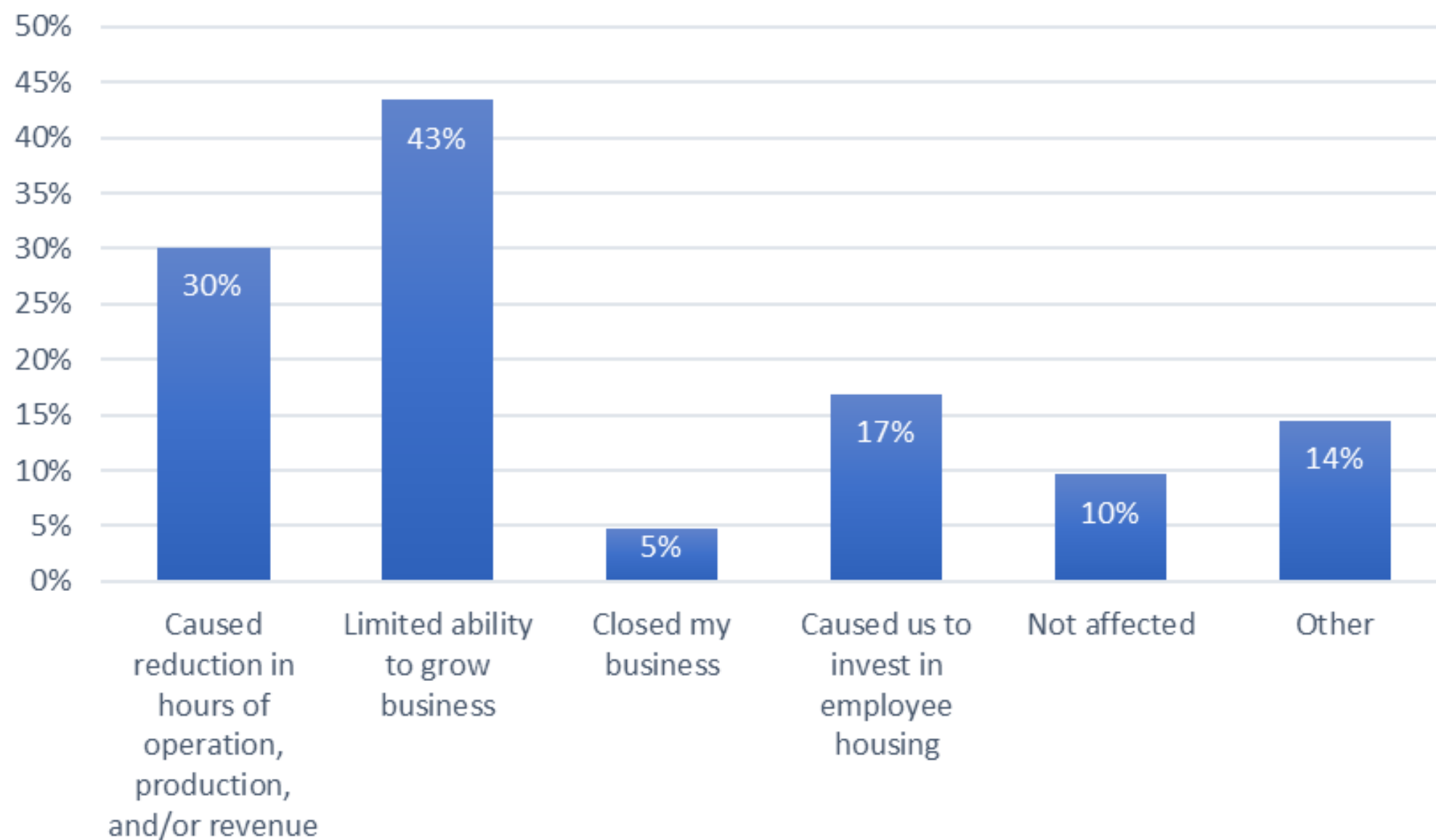
## Chart 2: Where do respondents live?



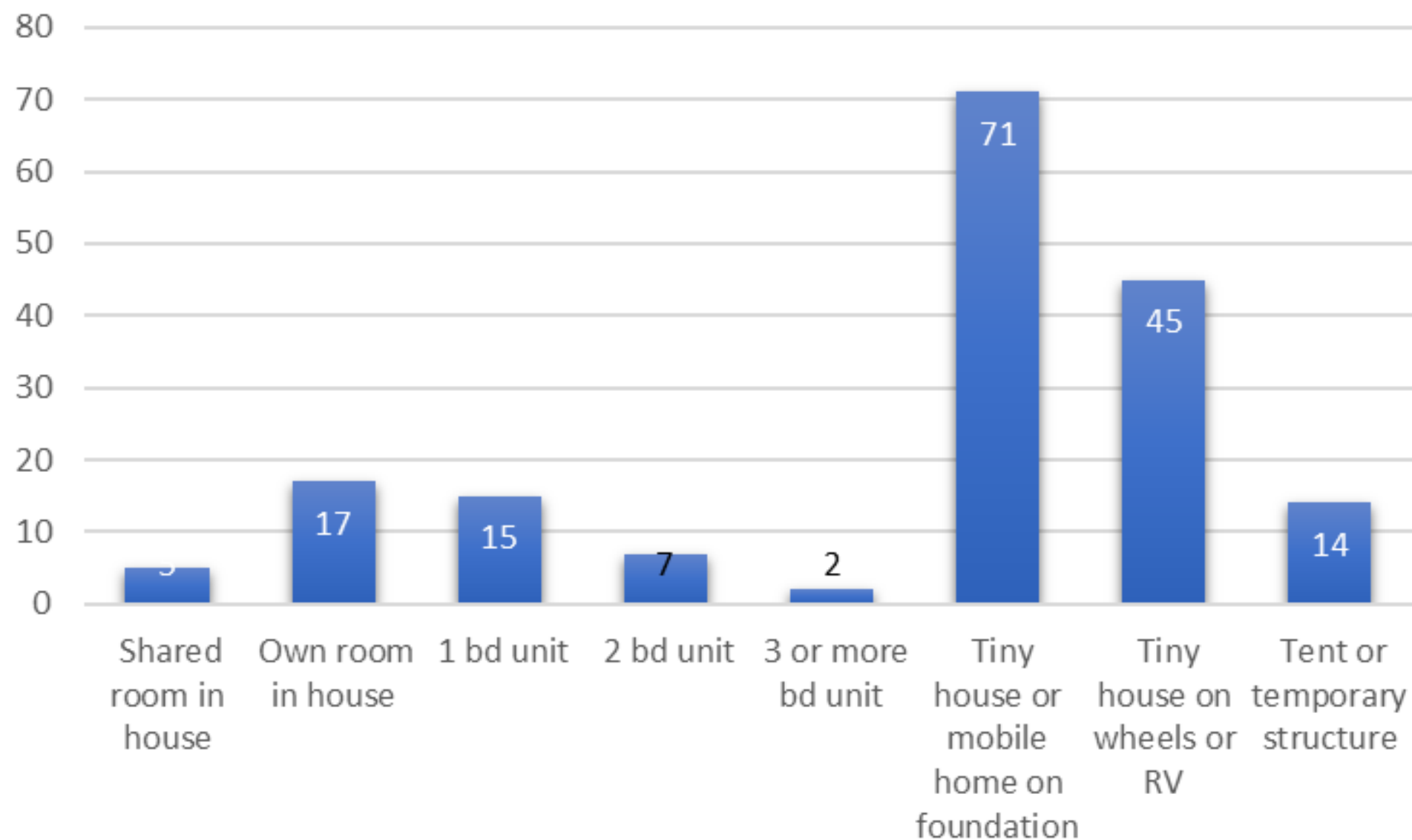
### Chart 3: Web Survey Respondents



**Chart 4: How have housing challenges impacted your business?**



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



## ➤ Themes- Food System Housing:

- More affordable housing is critical for farms/food businesses to expand/ 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.
- More zoning/ regulation support needed for affordable housing.
- Update needed for community-wide Housing Action Plan.
- Early momentum building for a multi-unit housing pilot.
- More funding needed for affordable housing projects.



## Solution Briefs

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.

## 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

*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.

### 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

\* [Steamboat Springs Short Term Rental restrictions and proposed 9% tax](#)  
Steamboat Springs, Colorado passed a Short-Term Rental (STR) ordinance to address a lack of affordable rental housing. The ordinance restricts new STRs and proposes a 9% tax on STRs to fund affordable housing. The [Municipal Research Center \(MRC\) has related resources](#); see also the [Associated Press article on the Vancouver Empty Home Tax \(Vacancy Tax\)](#). Properties deemed or declared vacant are subjected to a tax of 3% of the property value. The tax does not apply to primary residences, homes that qualify for an exemption, or homes rented for 30 or more months of the year.

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

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

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

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

[Vermont Farmworker Housing Repair Loan Program](#) offers forgivable loans to assist farmers in making essential repairs and necessary improvements to their housing. This program was an outcome of a 2021 statewide farmworker housing 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 Marin that offers incentives and support to homeowners willing to create affordable housing on their properties and set rents at reasonable rates.

[Vashon HouseHold Home Share Program](#) is a new program to encourage homeowners 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 are permanently affordable, including both rentals and homeownership.



### 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

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.

#### 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

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



### 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

### 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.



# Your thoughts

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**Thank You!**

