

HOUSING NEEDS ASSESSMENT

5

appendix



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APPENDIX 5. HOUSING NEEDS ASSESSMENT

Introduction

Housing is a critical component of the County's social well-being, quality of life and economic vitality, all of which are interconnected. The San Juan County Housing Needs Assessment provides the foundation upon which the Comprehensive Plan's goals, policies and strategic actions are developed to ensure the vitality of established residential neighborhoods, encourage the availability of affordable housing to all economic segments of the population, promote a variety of residential densities and housing types, and encourage preservation of the existing housing stock. It will also influence the goals and policies of other Comprehensive Plan elements.

State Overview

San Juan County is home to rich and unique cultural heritage. Historical and archaeological sites and structures remain, representing the presence of indigenous peoples from time immemorial, the settlement of 19th century pioneers, and a heritage of agriculture, fishing, limestone mining, and lumber economies of regional stature and importance. Preserving historical resources first requires an evaluation to determine which structures and sites meet the criteria of historic properties. Then, to protect them, it is necessary to encourage preservation and to regulate the demolition of historic structures and or degradation of historic sites. This element sets out goals and policies to support effective historic preservation in San Juan County.

San Juan County is not alone in facing major housing challenges given State trends. In addition, San Juan County faces challenges and needs because it is an island community with island-specific needs, has a predominate service sector economy, experiences seasonal economic swings, and has large elderly, seasonal and recreational populations.

Key Issues and Trends

POPULATION TRENDS AND PROJECTIONS

- San Juan County's population is expected to increase by 5,226 residents to reach 23,014 by 2045, an increase of about 29 percent from current levels.
- The County must plan to accommodate 3,180 new housing units by 2045 in order to meet the needs of current and future residents. Many of these units should be able to serve lower- and moderate-income households.
- Nearly 50 percent of new housing units are expected to be in rural areas and activity centers, with about 30 percent of new units in Friday Harbor, 16 percent in the Eastsound

UGA, and 8 percent in the Lopez Village UGA. The County's Land Capacity Analysis found a deficit of capacity to serve households earning under 80 percent of the County Area Median Income (AMI). As a result, the county is working to analyze and propose densification and expansion of the Eastsound UGA to address this deficit.

AGE, RACE, EDUCATIONAL ATTAINMENT:

- San Juan County's population is significantly older than the state's population and County has aged rapidly over the past two decades, with 44 percent of the population over 60 years old in 2020, compared to 25 percent in 2000. This aging trend is projected to slow, but the overall age of the population is expected to remain very high for several decades.
- The County's population has become more racially and ethnically diverse over the past decade, with a particular increase in Hispanic/Latino populations, but is less diverse than the state overall.
- San Juan County residents are highly educated, with 52 percent having a bachelor's degree or higher, compared with 38 percent statewide.

INCOME AND ECONOMIC STRUCTURE:

- San Juan County's per capita income is the second highest in the State at \$89,744, but the average annual wage is well below the State average at \$46,428.
- Household incomes in the County have increased, with a twofold increase in the share of households earning \$150,000 or more.
- Twelve percent of San Juan County's population lives below the Federal Poverty Limit. It is estimated that another 27 percent lives above this limit but does not earn enough to afford basic households needs.
- About half personal income in the County comes from property income, and only 35 percent comes from earned income (i.e. wages)
- Despite having the second-highest per capita income in the state, and property income making up a significant share of personal income, San Juan County has the lowest real estate tax levy rate in Washington.

EMPLOYMENT:

- Employment participation in the County has declined as the median age has increased, resulting in an affluent retirement community with low wage employment options.

- Retail, construction, health care, and food/accommodation are the largest employment sectors in the County. Many of the sectors with the highest number of employees in the County pay relatively low wages, particularly in food and accommodation.
- Remote work has increased notably since the COVID-19 pandemic, with 20 percent of workers reporting working from home as of 2022.
- Tourism heavily affects employment in San Juan County, leading to large seasonal swings in unemployment.

HOUSING TYPE AND QUANTITY:

- In the past decade, there were more than 2 new residents in San Juan County for each new housing unit, putting increased pressure on the existing housing supply.
- San Juan County shows a lack of diversity of housing types with sparse numbers of middle housing and multi-family units, and multifamily construction has essentially ceased since 2009.
- Housing production in the County has decreased since 2000, and further since the 2008 recession, with between 100-150 units per year built since 2010, compared with 250-450 per year between 1990 and 2000.

AGE AND CONDITION OF HOUSING STOCK:

- The County's housing stock is generally newer than statewide averages, with 42 percent of units in San Juan County built since 1990 and only 19 percent built before 1970.
- The number of occupied housing units lacking complete plumbing facilities and/or complete kitchen facilities are higher than statewide averages.

OWNERSHIP HOUSING:

- Ownership housing prices in San Juan County have more than doubled since 2016, with a median home price of \$956,800 in 2023. However, early 2024 data suggests that home prices have stabilized or may have begun to decrease somewhat.
- Home prices in San Juan County have consistently been higher than statewide averages, and were about 1.5 times higher than the Washington average in 2023.
- Wages have risen much more slowly than home prices in San Juan County, with a 20 percent increase in wages between 2016 and 2022, compared with a doubling of home prices in the same period.

RENTAL HOUSING:

- Renter-occupied housing units make up 23 percent of the houses in San Juan County, compared with 35 percent of units statewide.
- Average rents in the County have increased gradually over the past decade, and some data sources suggest more rapid rises in rents since the COVID-19 pandemic.
- Current rents in the County average around \$1,200 per month. About half of units rent for \$1,500 or less.
- Rental housing in the County can be volatile and is affected by seasonal economic shifts and part-time residents.

VACANT UNITS:

- In San Juan County, 38 percent of units were vacant as of 2022, compared with only 7.4 percent statewide. The share of vacant units has decreased from 43 percent in 2010, but still makes up a very large share of units in the County which are not available to full time residents.
- The vast majority of vacant units in the County are categorized as “for seasonal, recreational, or occasional use” (SRO). There were about 4,500 SRO units in the county as of 2022.
- Vacancy rates are similar across the main islands, although the Town of Friday Harbor has a significantly lower vacancy rate.
- Some SRO units are used as vacation rentals. San Juan County requires permits for vacation rentals. The number of vacation rentals in the County is limited by island by caps adopted in 2022, and new permits will be issued by lottery.

HOUSING AFFORDABILITY LEVELS:

- The Area Median Income as defined by HUD in San Juan County in 2024 is \$104,700.
- About 40 percent of have income that is considered either low, very low or extremely low according to HUD’s guidelines, and among renters, almost two-thirds are considered low, very low, or extremely low income households.

HOUSING AFFORDABILITY INDEX:

- San Juan County’s Housing Affordability Index was 20 points lower than the rest of the State in 2024. By this measure, the County is considered the least affordable in the state, and has been the least affordable County for over a decade.

- First time homebuyers are particularly disadvantaged in the County’s housing market due to the considerable personal capital needed in order to afford the necessary down payment for an average price home.
- The rental affordability index shows that the cost of renting a home in the County is not as challenging as purchasing a home. However, this metric does not account for the the lack of rental units for full-time residents in the county overall.
- Despite being considerably less affordable than the rest of Washington State, fluctuations in the affordability index of San Juan County since 2008 show a correlation with the State’s housing market as a whole, with steadily decreasing affordability over the past decade.

KEY ISSUES:

- Single-family homes in the County are unaffordable to households earning the Area Median Income. Average single-family home prices for new homes built in the past decade would be affordable to households earning 270 percent of the AMI.
- Condo, co-op, and manufactured/mobile home units built in the past decade are selling at prices closer to affordability for households earning the County AMI.
- Manufactured and mobile homes, both inside and outside UGAs, represent a wider range of potential affordability for ownership housing, with recently built units ranging as low as 58 percent AMI.

HOUSING COST BURDEN:

- There were 2,687 cost-burdened households in San Juan County in 2020 spending more than 30 percent of their income on housing costs. Of these, 1,231 were paying more than half of their income towards housing costs.
- Thirty percent of homeowners and forty percent of renters are cost-burdened in San Juan County.
- The lowest-income households in the County face very high rates of cost-burden upwards of 60 percent, but moderate-income households are also facing significant challenges paying for housing costs.
- From 2012 to 2022, the percentage of cost-burdened households increased in nearly every income bracket in San Juan County.

HOMELESSNESS:

- The 2025 Point in Time Count recorded 69 unhoused individuals living in the County, and another 55 who were at risk of being unhoused.
- Among 2025 respondents to the count, the most common living situations were those living temporarily with family or friends, and those living in substandard structures.
- From 2020 to 2025, the annual count averaged 136 respondents to surveys who were either unhoused or considered at-risk of being unhoused.

Introduction

RCW 36.70A.070 (2) details the mandatory requirements of the Comprehensive Plan Housing Element. The Housing Needs Assessment is one piece of the Housing Element. This statute states that, in order to be compliant, the Housing Element:

- a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth, as provided by the department of commerce, including:
 - (i) Units for moderate, low, very low, and extremely low-income households; and
 - (ii) Emergency housing, emergency shelters, and permanent supportive housing;
- b) includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences, and within an urban growth area boundary, moderate density housing options including, but not limited to, duplexes, triplexes, and townhomes;
- c) identifies sufficient land for housing, including, but not limited to, government assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing, and within an urban growth area boundary, consideration of duplexes, triplexes, and townhomes;
- d) makes adequate provisions for existing and projected needs of all economic segments of the community, including:
 - (i) Incorporating consideration for low, very low, extremely low, and moderate-income households;
 - (ii) Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;
 - (iii) Consideration of housing locations in relation to employment location; and

- (iv) Consideration of the role of accessory dwelling units in meeting housing needs;
- e) Identifies local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:
 - (i) Zoning that may have a discriminatory effect;
 - (ii) Disinvestment; and
 - (iii) Infrastructure availability;
- f) Identifies and implements policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;
- g) Identifies areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and
- h) Establishes antidisplacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.

In addition to the requirements of the GMA above, the Department of Commerce’s August 2023 “Guidance for Updating Your Housing Element”¹ provides extensive documentation on requirements for Comprehensive Plan Housing Elements, including required elements for inclusion in a Housing Needs Assessment, which are fulfilled by this report.

The purpose of this Housing Needs Assessment (HNA) is to evaluate the current and projected stock of housing in the County. The HNA will evaluate the County’s ability to meet future housing needs and to maintain the vitality of established residential neighborhoods. Another function of the HNA is encouraging the availability of affordable housing to all economic segments of the population. Housing costs are generally the single largest household expenditure for Washington residents.

The unique geography and economy of San Juan County can make solving housing problems more complicated than other areas of our State. San Juan County lacks the infrastructure of urban areas and has the additional difficulty of the Salish Sea dividing the County into smaller community units, which prevents economies of scale.

¹ <https://deptofcommerce.box.com/s/1d9d517g509r389f0mjpowh8isjpirlh>

The housing market in San Juan County is also driven by regional economic factors that can be difficult to address at the local level. This Housing Needs Assessment attempts to analyze the supply and demand factors affecting local housing, and engage with the following questions:

1. Is the current housing stock appropriate and affordable for current residents?
2. Is housing accessible for future residents' housing needs?

This document uses a wide array of data sources in an effort to understand fully the many factors affecting housing in San Juan County. Some data is available going back 40 or 50 years, while other data sources are relatively new with limited historical data.

The primary data sources used in the Housing Needs Assessment are from the:

- U.S. Census Bureau, including both the Decennial Census and the U.S. Census Bureau's American Community Survey (ACS);
- Washington Regional Economic Analysis Project (WA-REAP);
- Office of Financial Management (OFM);
- U.S. Department of Housing and Urban Development (HUD);
- CoStar, Redfin, and Zillow (commercial real estate data providers)

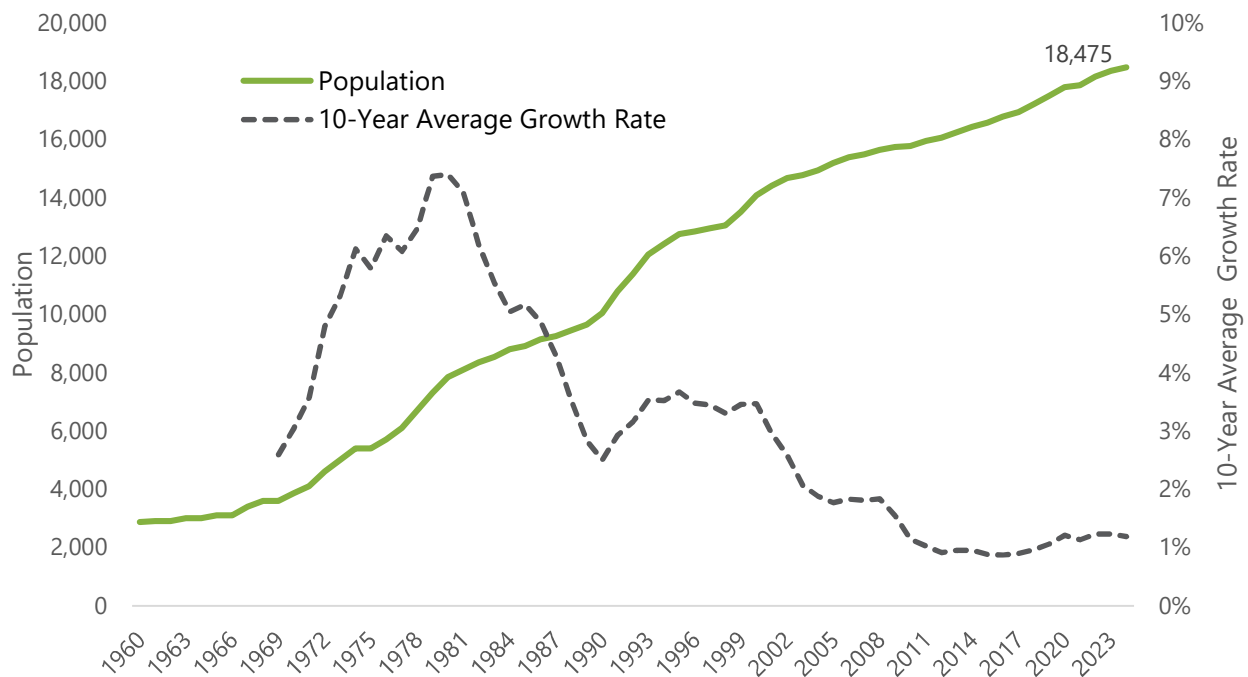
The ACS is a nationwide confidential survey conducted annually by the Census Bureau starting in 2005. Beginning in 2010, the ACS began to produce 5-year estimates for geographic areas with populations under 20,000. ACS data is not directly comparable to the Decennial Census as the ACS is an aggregate of data over a 5-year period.

Demographics

Population Trends and Projections

The population of San Juan County has grown from 2,872 in 1960 to a 2024 population of 18,475, as shown below in Figure 1. The rate of population growth was much more rapid in the 1970s and 80s, reaching as high as 7 percent per year, but more recently population growth has stabilized to a lower rate of around 1 percent per year.

Figure 1.
Population and 10-Year Average Growth Rate in San Juan County, 1960-2024



Source: Washington Office of Financial Management (OFM) Intercensal Population Estimates and April 1 Official Population Estimates

The County's population is expected to reach 23,014 by 2045, according to OFM forecasts. This represents an increase of about 29 percent or 1.04 percent annually from current levels. Based on the Department of Commerce's Housing for All Planning Tool (HAPT), this will equal a Countywide need for 3,180 new permanent housing units.

Population change is primarily driven by two factors:

1. Natural increase (births minus deaths), and
2. Net migration (in-migration minus out-migration).

The difference between births and deaths is considered the natural component of population change. The difference between in-migration and out-migration is considered the migration component of population change.

Both the natural and migration components of population change are tied to the community's demographic profile. Internal factors or population characteristics, such as

the gender and age distribution of the community directly affect the rates of natural increase. External or social factors such as employment, housing, community facilities and education opportunities contribute to migration rates.

Figure 2 shows the breakdown of the projected population increase by island. This projection is based on the maintenance of the County’s proportionate share of the State’s population. For the past 40 years, the County has retained a consistent share of the State population while the average annual increase rates are volatile and inconsistent from decade to decade, since migration, rather than natural increase, is the source of the County’s population growth. San Juan County has averaged a 0.23 percent proportionate share of the Washington State Population since 1970. Additionally, each island’s share of the County’s population has been stable since the 1990 census.

The projected population growth in the Orcas and Lopez Urban Growth Areas (UGAs) shown below is based on the premise that 50 percent of future development will occur within the respective UGA’s, and the Town of Friday Harbor’s projection reflects an allocation of 60 percent of San Juan Island’s population growth to the Friday Harbor UGA.

Figure 2. San Juan County Population Growth by Island, 2020-2045.

	2020	2045	Net New Population 2020-2045	Share of Countywide Net New	Share of Net New Island Population
San Juan Island	8,541	11,051	2,510	48.03%	
Town of Friday Harbor	2,613	4,119	1,506	28.82%	60%
Unincorporated	5,928	6,932	1,004	19.21%	
Orcas Island	5,772	7,468	1,696	32.45%	
Eastsound UGA	1,200	2,047	847	16.21%	50%
Unincorporated	4,572	5,421	849	16.25%	
Lopez Island	2,737	3,541	804	15.38%	
Lopez Village UGA	233	634	401	7.67%	50%
Unincorporated	2,504	2,907	403	7.71%	
Shaw Island	253	327	74	1.42%	
Non-Ferry-Served Islands	485	627	142	2.72%	
Total	17,788	23,014	5,226	100.00%	

Source: WA OFM Small Area Estimates Program; WA OFM 2022 Population Projections; San Juan County; Town of Friday Harbor; Leland Consulting Group

In 2021, the legislature passed House Bill 1220, which created a new statewide system for planning for housing units based on projected future household needs by income. Within this framework, the state population projections shown above are converted into future housing unit needs using a tool developed by the Department of Commerce called the Housing for All Planning Tool (HAPT)². This tool projects future need across income levels in each county, based on both housing needed to serve expected new county residents as well as other important factors, including a future vacancy rate of 6 percent (sufficient to provide housing choice), housing needed to account for people currently experiencing homelessness, and housing needed to accommodate those residents who are currently paying more than they can afford for housing, discussed further below under “Housing Cost Burden” in section 5.5.2.

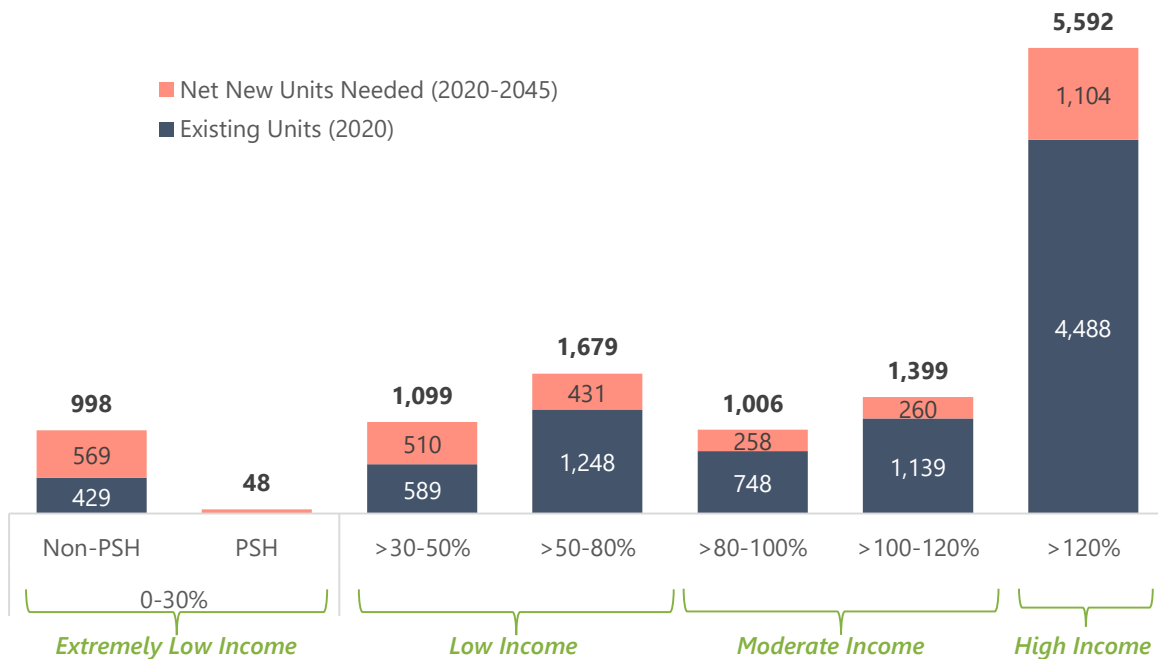
San Juan County’s projected housing needs by income band are shown below in [Figure 3](#). The income bands are expressed as a percentage of the HUD Area Median Family Income (HAMFI), commonly referred to as the Area Median Income (AMI). For reference, the 2024 AMI for San Juan County is \$104,700. The AMI is determined by the U.S. Department of Housing and Urban Development (HUD), and is generally higher than the Census-reported Median Household income for a given city, since it is based on Census-reported median family income, which excludes single-person households. This single AMI figure represents the income of the average family household as reported in the County, and therefore reflects the average family household size in the County. The AMI is further broken down by family size and income levels are classified as extremely low income (under 30% AMI), very low income (30-50% AMI) and low income households (50-80% AMI).

In total, the County must plan to accommodate 3,180 new housing units by 2045. As shown, the majority of the County’s current housing stock (in dark blue) serves higher-income households. The new units needed over the next 20 years (in pink) are more evenly split, with over 1,000 net new units needed to serve low- and extremely-low income households earning under 50% AMI. Fewer units are projected for moderate-income

² <https://deptofcommerce.app.box.com/s/i4ku9gqhckvs73yj66mzlf3hn036ct5>

households overall, and there are another 1,104 units projected to be needed to meet future higher-income residents’ needs. As discussed in detail further below under Section 5.6. “Housing Unit Forecast,” these housing unit targets by income band are tied to land use designations which can serve the various income bands based on housing types allowed within each land use designation. The County must then show capacity within vacant and redevelopable parcels in the various Land Use designations to accommodate the required housing targets.

Figure 3.
San Juan County Housing Unit Targets by Income Band, 2020-2045



Source: WA Department of Commerce, WA Office of Financial Management

The table below shows the breakdown of these targets between the Town of Friday Harbor, County UGAs and rural areas and activity centers.

Figure 4.
San Juan County Housing Unit Targets by Income Band, 2020-2045

	% of Total	Total	0-30%							Emergency Housing Needs
			Non-PSH	PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	
Friday Harbor City & UGA	29%	916	311	26	279	63	38	38	161	10
Eastsound UGA	16%	515	175	15	150	106	35	35	0	6
Lopez Village UGA	8%	244	83	7	81	49	12	12	0	3
Rural Areas / LAMIRDS / AC	47%	1,504	0	0	0	213	173	175	943	17

Source: WA Department of Commerce, WA Office of Financial Management, San Juan County

As detailed in the Land Capacity Analysis Methodology and Results in Appendix 1, San Juan County does not currently have sufficient capacity to accommodate its target housing units serving lower-income populations (earning less than 80 percent Area Median Income). The countywide Land Capacity Analysis results are shown below in Figure 5.

Figure 5.
Total San Juan County (Excluding Friday Harbor) Housing Needs and Capacity, 2020-2045

Income Band	Housing Needs	Aggregated Housing Needs	Pending Units	Remaining Needs	Total Capacity	Surplus/ Deficit
0-30 PSH	22					
0-30 Non PSH	258	879	108	771	544	(227)
30-50	231					
50-80	368					
80-100	220	442	56	386	587	201
100-120	222					
120+	943	943	620	323	1,743	1,420
Total	2,264	2,264	784	1,480	2,874	1,394

As a result of this deficit, the GMA and Commerce Guidance require that the County increase capacity for housing types that can serve these income bands. Housing types that can serve these income bands are primarily considered to be multifamily, although in San Juan County, Community Land Trust developments are also serving these income categories. The Land Capacity Analysis found that the County’s deficit in lower-income units is contained within the Eastsound UGA. In order to address this deficit, County staff, Otak, and Leland Consulting Group worked with the Eastsound Planning Review Committee

(EPRC), San Juan County Planning Commission, and San Juan County Council in late 2024 and early 2025 to analyze and propose both densification and expansion in the Eastsound UGA to provide sufficient capacity to meet County targets for low- and moderate-income households.

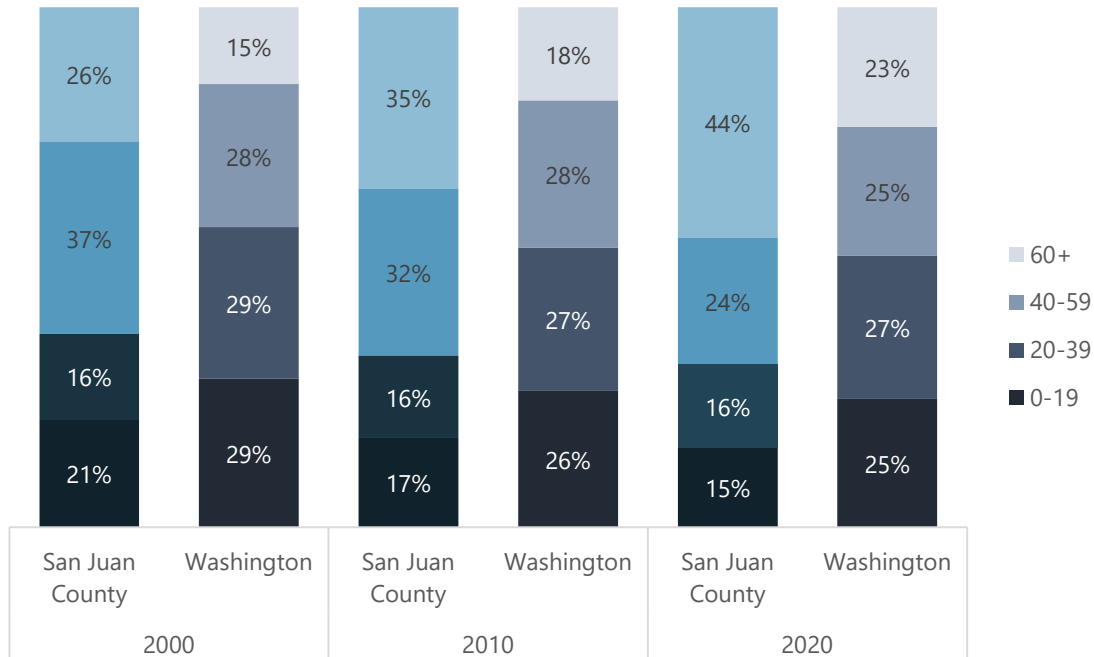
KEY ISSUES:

- San Juan County’s population is expected to increase by 5,226 residents to reach 23,014 by 2045, an increase of about 29 percent from current levels.
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- Nearly 50 percent of new housing units are expected to be in rural areas and activity centers, with about 30 percent of new units in Friday Harbor, 16 percent in the Eastsound UGA, and 8 percent in the Lopez Village UGA. The County’s Land Capacity Analysis found a deficit of capacity to serve households earning under 80 percent of the County Area Median Income (AMI). As a result, the county is working to analyze and propose densification and expansion of the Eastsound UGA to address this deficit.

Age, Race/Ethnicity, Educational Attainment

San Juan County’s population is significantly older than the state’s population as a whole, and the share of older residents has increased rapidly over the past two decades, as shown below in Figure 7. As of the 2020 Census, 44 percent of San Juan County’s population was over 60 years old, a 69 percent increase since 2000, when only 26 percent of residents were over 60. The 2020 share of residents over 60 is nearly double the statewide average of 23 percent. Although the state’s population is also aging, the increases are much more dramatic in San Juan County. This has significant implications for the County’s housing needs, such as increased needs for accessible units, demand for smaller unit sizes, and a need for analysis and understanding of older and retired County residents’ incomes.

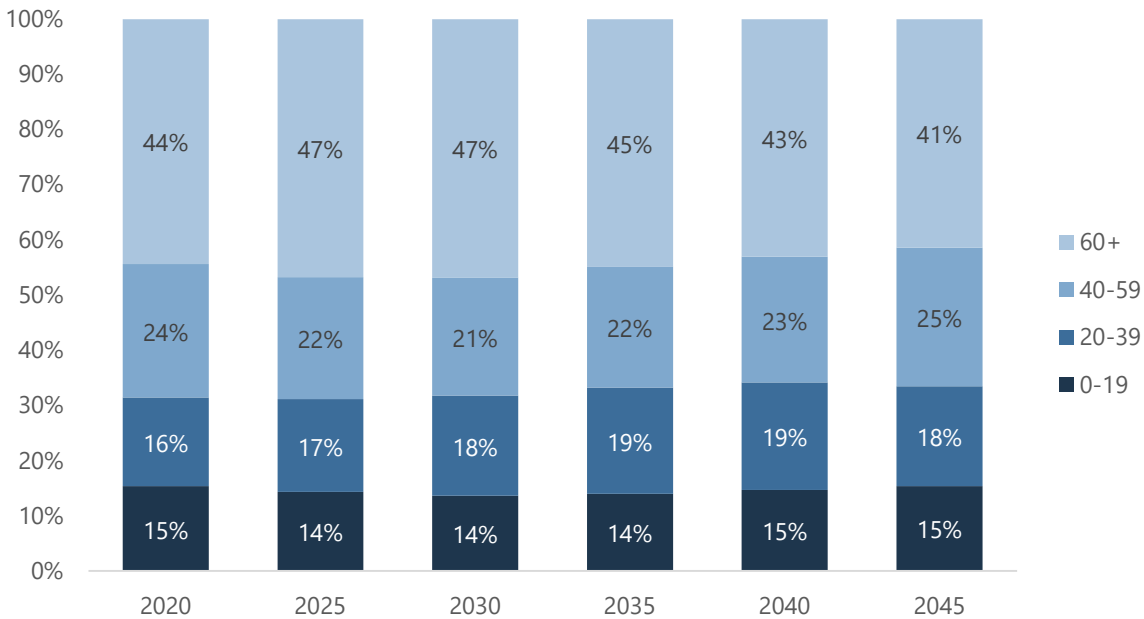
Figure 6.
San Juan County and Washington Population by Age Group, 2000-2020



Source: WA Office of Financial Management

The population of the County is expected to continue to age over the next decade or so, as shown below in Figure 6 which shows OFM’s forecast by age cohort through 2045. After 2030, the state is forecasting this trend to reverse, with a slight decrease in older residents and increase in children and young adults from 2030-2045. However, this trend is expected to be very gradual, and the County’s overall population is expected to remain considerably older than the state averages over the planning period of this Comprehensive Plan update.

Figure 7.
San Juan County Population Forecasts by Age Group, 2020-2045

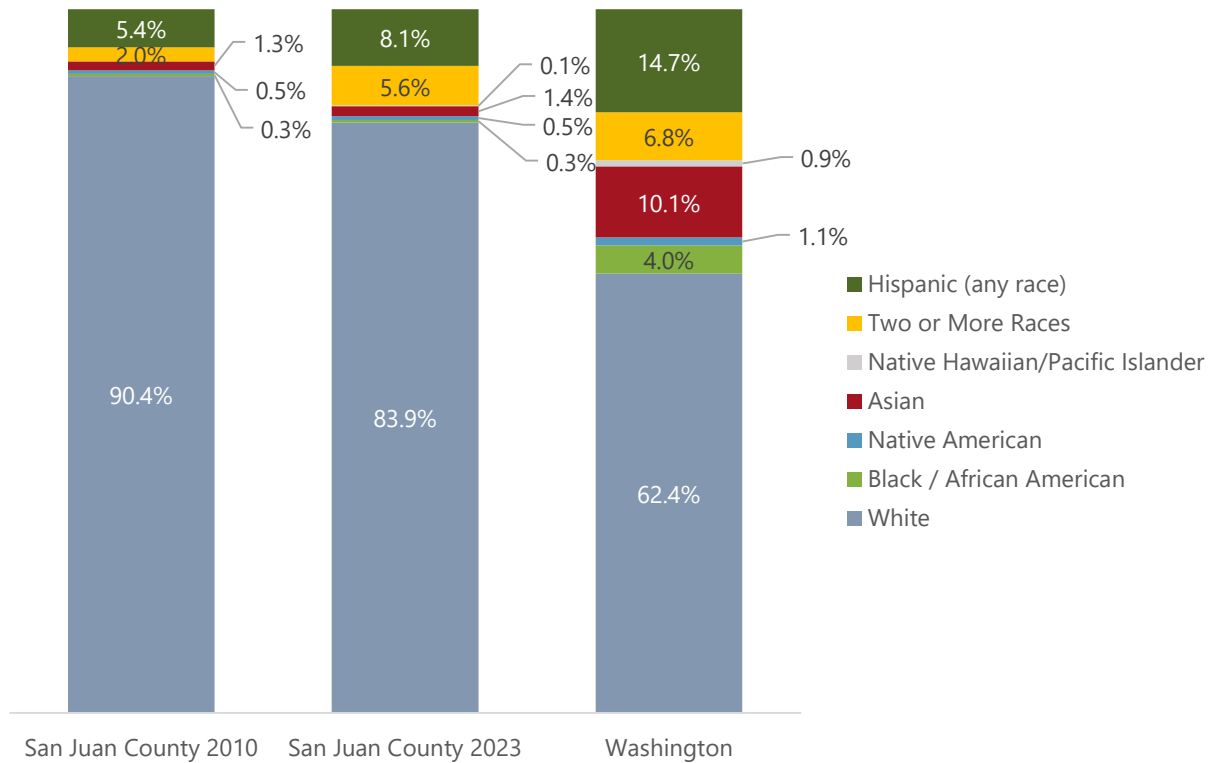


Source: WA Office of Financial Management 2022 Medium Series Population Projections

Data from the Office of the Superintendent for Public Instruction (OSPI), corrected to eliminate distortion by Orcas Island School District’s OASIS program, shows that enrollments in the school districts on San Juan, Orcas and Lopez Islands has declined at an annual average rate of -1.6, -2.6, and -0.45 percent, respectively, between 2005 and 2016. This is consistent with populations whose median age is increasing and negative natural increase.

The population of San Juan County has become more racially diverse over the past decade, with particular increases in Hispanic/Latino and mixed-race populations. However, the County is still significantly less diverse than Washington as a whole, at about 84 percent White (non-Hispanic) as of 2023, compared with 62.4 White (non-Hispanic) statewide, as shown below in Figure 8. More detail on racially disparate impacts of past housing policy and disparities in access to housing and housing affordability between racial and ethnic groups in the County can be found in the Racially Disparate Impacts Analysis in at the end of this document.

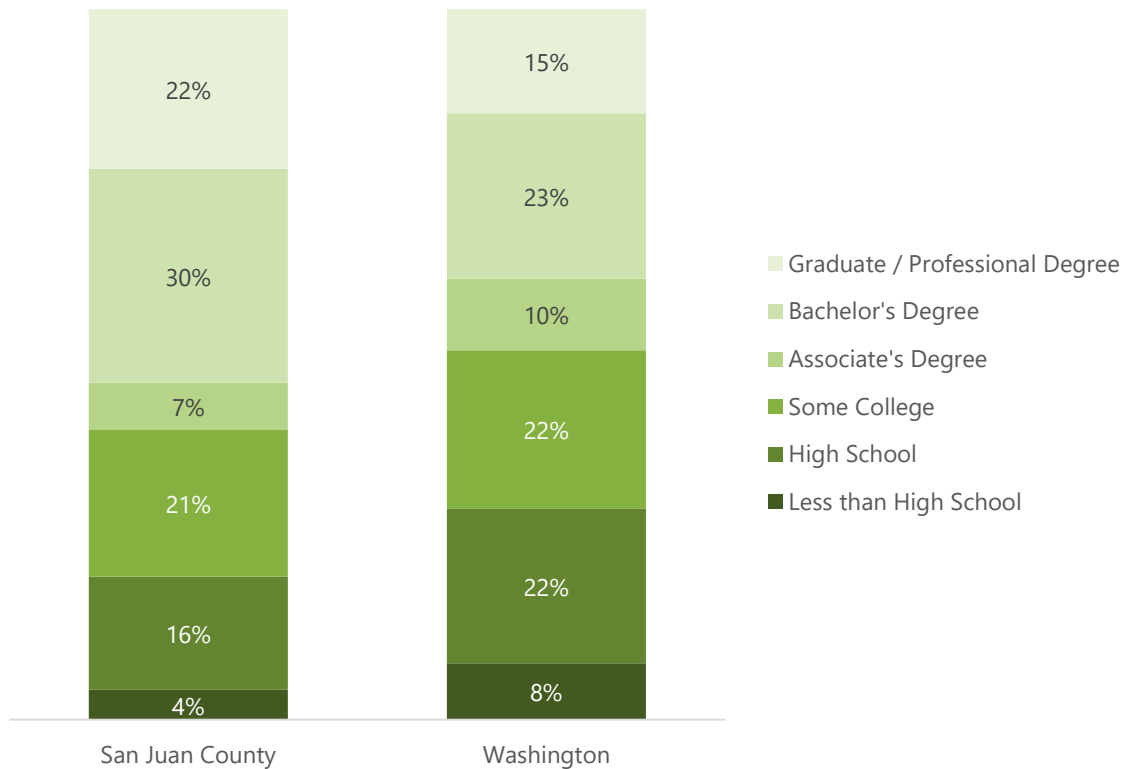
Figure 8.
Race and Ethnicity in San Juan County, 2010-2023



Source: WA Office of Financial Management April 1 Population Estimates

The County's population is highly educated. Approximately 52 percent of the population have attained a bachelor's degree or higher. By contrast, approximately 38 percent of the State's population have achieved the same level of education, as shown below in Figure 9.

Figure 9.
Educational Attainment in San Juan County, 2023



Source: 2022 American Community Survey 5-Year Estimates, Table S1501

KEY ISSUES:

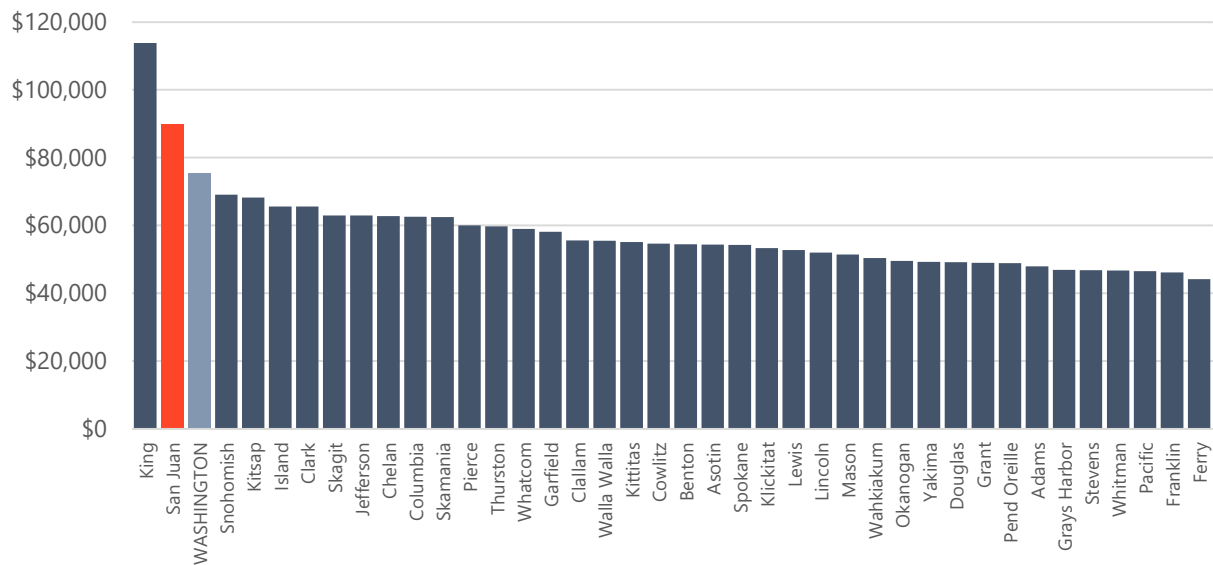
- San Juan County’s population is significantly older than the state’s population and County has aged rapidly over the past two decades, with 44 percent of the population over 60 years old in 2020, compared to 25 percent in 2000. This aging trend is projected to slow, but the overall age of the population is expected to remain very high for several decades.
- The County’s population has become more racially and ethnically diverse over the past decade, with a particular increase in Hispanic/Latino populations, but is less diverse than the state overall.
- San Juan County residents are highly educated, with 52 percent having a bachelor’s degree or higher, compared with 38 percent statewide.

Income and Economic Structure

The purpose of this Section is to describe the current economic landscape of San Juan County and promote a better understanding of the economic factors that influence the County housing market.

Figure 5-2. depicts the Real Per Capita Personal Income for San Juan County compared to counties around the State. San Juan County’s Real Per Capita Personal Income in 2022 was \$89,744, the second highest in Washington State after King County. The statewide average for 2022 was \$75,332.

Figure 10
Washington State Real³ Per Capita Personal Income by County, 2022⁴



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

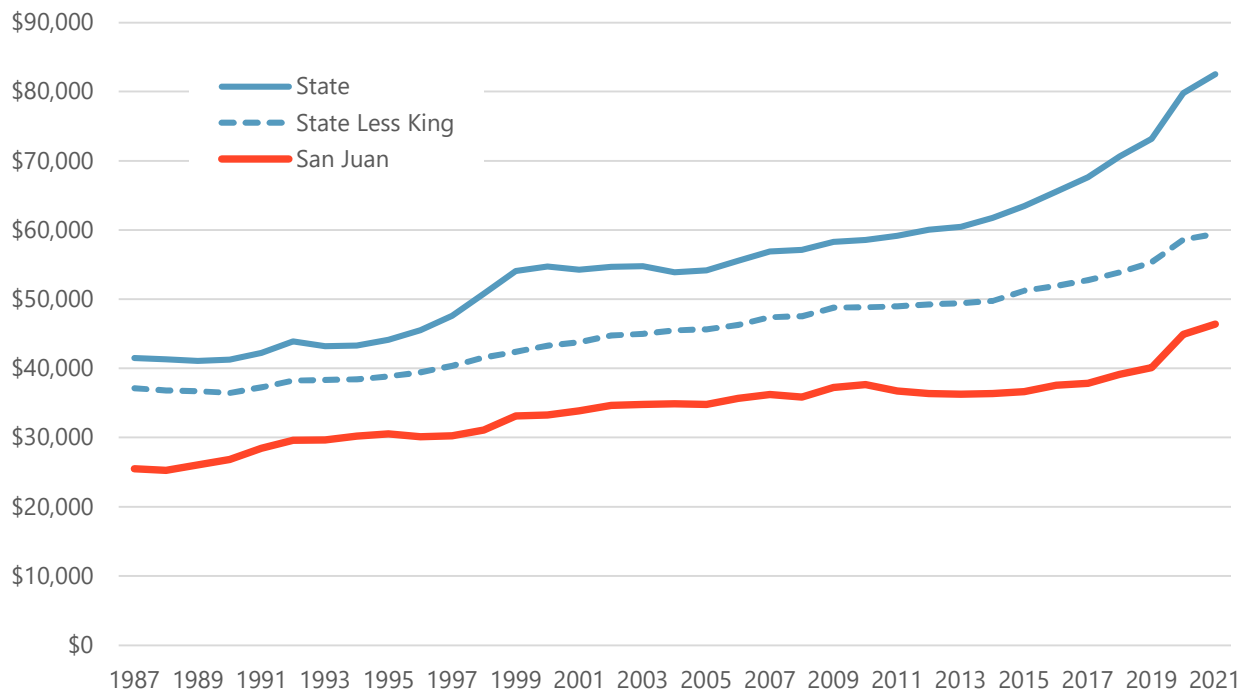
The County’s Real Per Capita Personal Income may be misleading due to the high proportion of retirees in the community. The average annual wage in San Juan County for 2021 was \$46,428⁵, which Figure 11 shows is well below the State average of \$82,513

³ Real per capita personal income determined using the Chain-Weight Implicit Price Deflator for Personal Consumption.

⁴ In 2022 Constant Dollars

⁵ Washington State Dept. of Employment Security San Juan County Data Tables

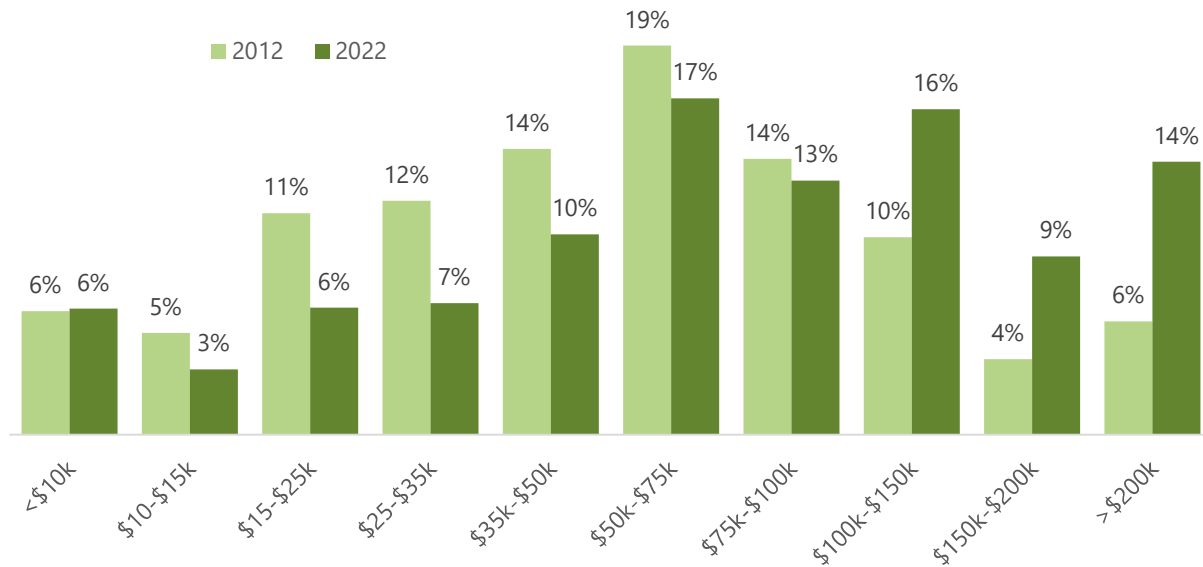
Figure 11.
Average Annual Wage, Adjusted for Inflation, 1987 – 2021.



Source: Washington State Dept. of Employment Security San Juan County Data Tables

Figure 12 **Error! Reference source not found.** shows the change in the County’s household income brackets since 2012 (not adjusted for inflation). Over the past decade, household incomes have increased overall in the County, with a more than twofold increase in the share of households earning \$150,000 or more. Lower- and moderate-income households have correspondingly decreased, although the share of households earning extremely low incomes, less than \$10,000, has remained consistent at about 6 percent.

Figure 12.
San Juan County Median Household Income and Benefits, 2012-2022.



Source: 2022 American Community 5-Year Estimates, Table DP03

According to the 2022 United Way ALICE Report⁶, 12 percent of County households live below the Federal Poverty Level (FPL). Another 27 percent of households in San Juan County earn above the Federal Poverty Level (FPL), but not enough to afford a basic household budget of housing, childcare, food, transportation, and health care, higher than the state average of 24 percent. This report indicates that a single individual would need to make \$31,404 annually, and a family of four would need to make \$80,760 annually just to survive on a bare-minimum budget without leaving anything for savings. This is almost four times the federal poverty level of \$27,750 for a family of four. In addition, a family of four where both children are in childcare would need to make \$102,780 to survive on a bare-minimum budget, showing the increasing burden of childcare costs on families.

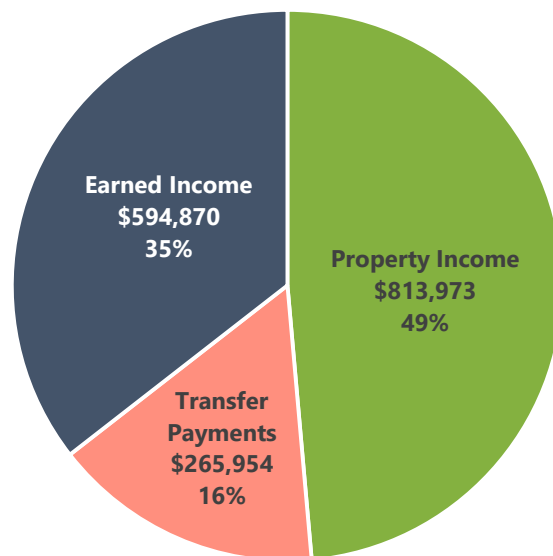
About half of income in San Juan County is earned through property income. Figure 13 delineates personal income in the County into three types. Earned Income is

⁶<https://www.unitedforalice.org/county-reports/washington>

compensation for labor services, and property income represents payments in the form of dividends, interest and rent for the services of capital. In contrast to the other two components of income, Transfer Payments are by definition payments that are not related to the provision of services. Transfer Payments are payments received from things such as Social Security, Disability Payments, medical payments from Medicare and Medicaid, Family Assistance, Food Stamps, Supplemental Security Income, Unemployment Insurance Payments, and Veterans Benefits Payments.

Property Income made up 49 percent of the total personal income in the County in 2022, compared to 21 percent for Washington State and 20 percent nationally. In combination, Property Income and Transfer Payments amounted to 65 percent of San Juan County's personal income in 2022.

Figure 13.
Major Components of Total Personal Income, San Juan County, 2022
(Thousands of Dollars).



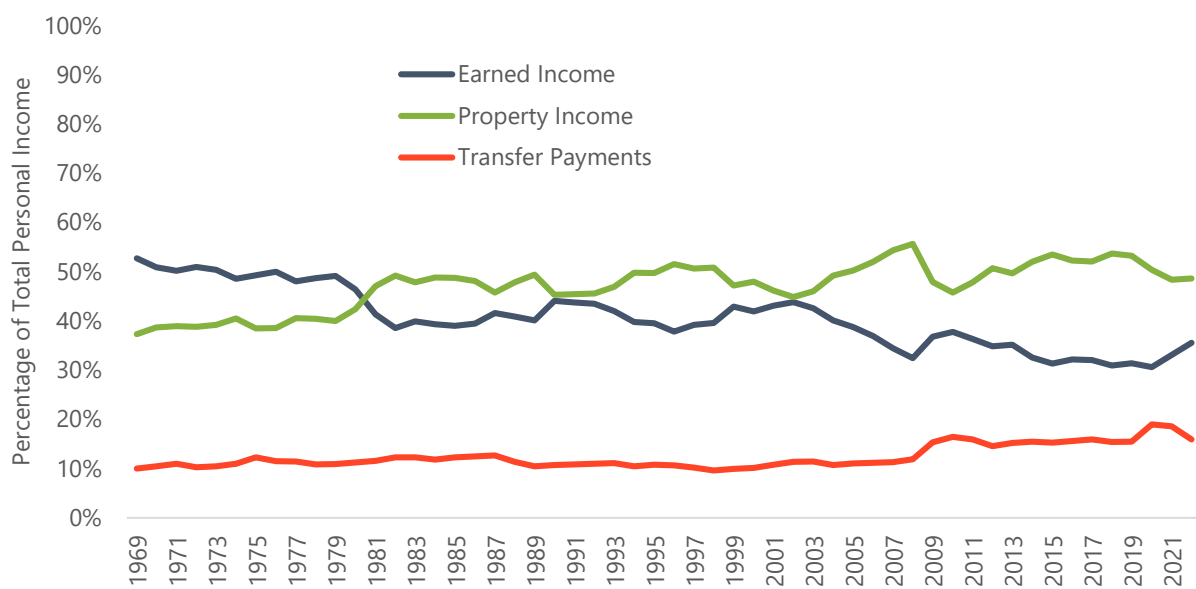
Source: Calculations by the Washington Regional Economic Analysis Project (WA-REAP) with data provided by the U.S. Department of Commerce, Bureau of Economic Analysis

Property income as a percentage of total personal income in San Juan County is overrepresented in comparison to the rest of Washington State and the country. This is

consistent with San Juan County’s booming real estate and vacation rental market. Despite having the second highest per capita personal income in Washington (as seen in Figure 10), San Juan County has by far the lowest percentage of earned income in the State.

Earned income made up only 35 percent of personal income in 2022. This amounted to a substantially smaller share than the corresponding 62 percent for earned income nationwide. Figure 14 traces the changing share and relative importance of each income type over time since 1969. Large increases in the share of Property Income and Transfer Payments are often associated with counties that experienced an influx of relatively affluent retirees.⁷

Figure 14.
Major Components as a Percent of Total Personal Income: San Juan County, 1969-2015.



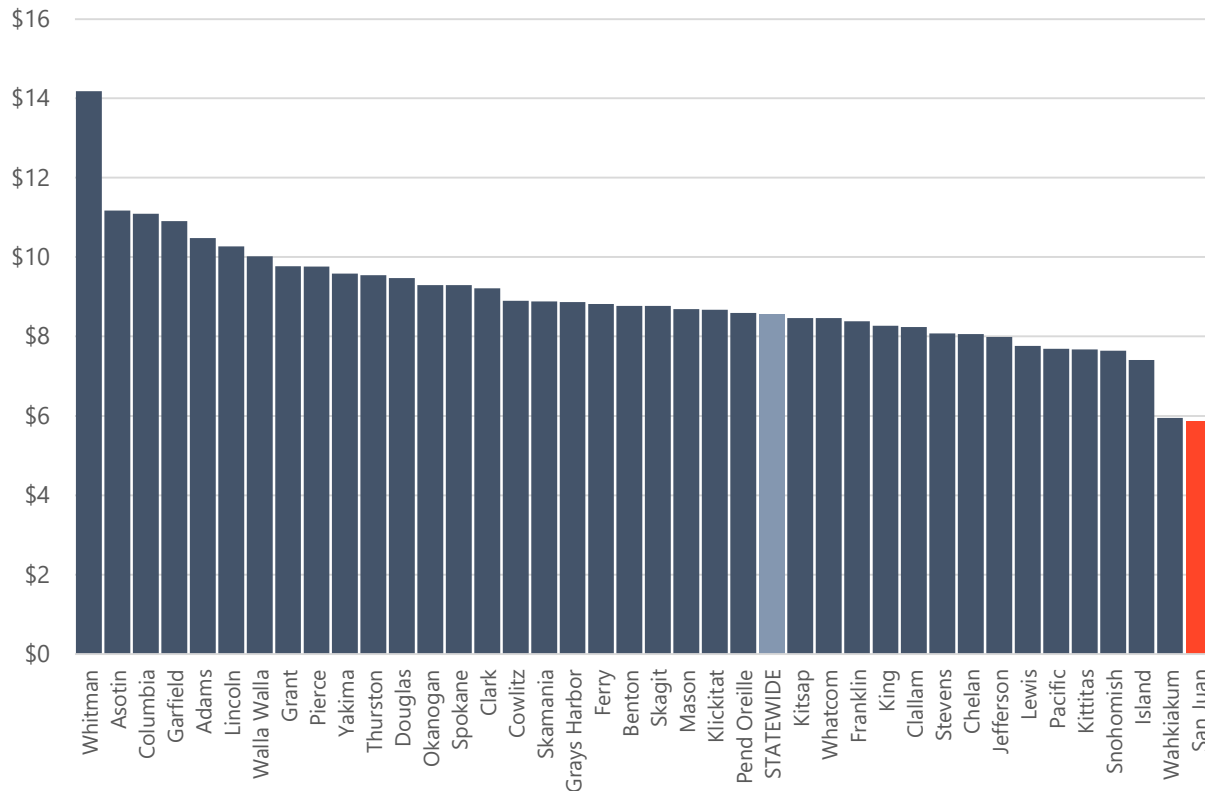
Source: Calculations by the Washington Regional Economic Analysis Project (WA-REAP) with data provided by the U.S. Department of Commerce, Bureau of Economic Analysis

The County has the lowest real estate tax levy rate in the State despite having the second highest per capita personal income of any County in the State and property income making up nearly half of all total income in the County. As shown in Figure 15, the average levy rate in San Juan County is \$5.87 per \$1,000 of assessed value. This is \$2.68 lower than the

⁷ Source: Washington.REAproject.org

statewide average, \$8.31 lower than the highest rate in the State (Pierce County) and almost \$2.00 less than any other county except Wahkiakum.

Figure 15. Comparison of Average Levy Rates⁸ by Year Due in 2009-2016.



Source: WA Department of Revenue Property Tax Statistics 2016 Comparison of Average Rates by Year Due

KEY ISSUES:

- San Juan County’s per capita income is the second highest in the State at \$89,744, but the average annual wage is well below the State average at \$46,428.
- Household incomes in the County have increased, with a twofold increase in the share of households earning \$150,000 or more.
- Twelve percent of San Juan County’s population lives below the Federal Poverty Limit. It is estimated that another 27 percent lives above this limit but does not earn enough to afford basic households needs.

⁸ Per \$1,000 of assessed value.

- About half personal income in the County comes from property income, and only 35 percent comes from earned income (i.e. wages)
- Despite having the second-highest per capita income in the state, and property income making up a significant share of personal income, San Juan County has the lowest real estate tax levy rate in Washington.

Employment

In addition to migration and natural increase, housing and employment opportunities are key variables influencing population change. Traditionally employment stimulates the demand for housing, however, over the past forty years San Juan County has followed a different path by becoming an affluent retirement community with low wage employment options.

For the majority of the 20th century, the County was home to a relatively small and stable population with an economy that centered on fishing, farming and logging. In the mid 1960's San Juan County begin to transition away from these core industries to a tourism-based economy due to a lack of secondary processing on the islands and increased competition from mainland industries. As the County's median age and retirement population has trended upward, employment participation has predictably declined. Table 5-5 presents rates of labor force participation in 2012 and 2022. Over the past decade, labor force participation among residents 16 and older has decreased from nearly 60 percent to 53 percent. This contrasts with the statewide labor force participation of almost 65 percent. The unemployment rate in San Juan County has decreased from 3.2 percent to 1.7 percent in 2022, lower than the state average, and likely reflective of the demand for employment in the County given the low rate of labor force participation, among other factors.

Figure 16.
San Juan County Population Employment Status.

Employment Status	San Juan County		Washington
	2012	2022	2022
Population 16 years and over	13,629	16,015	6,209,213
In labor force	59.9%	53.2%	64.6%
Civilian labor force	59.9%	53.1%	63.6%
Employed	56.7%	51.4%	60.4%
Unemployed	3.2%	1.7%	3.2%
Armed Forces	0.0%	0.1%	1.0%
Not in labor force	40.1%	46.8%	35.4%
Civilian labor force	8,158	8,499	3,949,085

Source: U.S. Census Bureau, 2012-2022 American Community Survey 5-Year Estimates, Table DP 03

Figure 17 breaks down the County workforce by industry, as well as separating jobs located in the County (which could be worked by County residents or others who commute in to work) and jobs worked by County residents (which may or may not be located in the County).

The retail and construction sectors are the largest sectors in the County by employment, both of residents and commuters. The data suggests that there is more in-commuting to work in construction than retail jobs. There has been an uptick in construction employment over the past decade. Health care jobs are also a prominent field among residents of the County, though there are fewer jobs in the County itself, showing that some residents commute out to work health care jobs elsewhere. Given the County’s tourism economy, there are a large number of food and accommodation jobs, and it is also a major sector among County residents. There has been a decrease in education jobs over the past decade, perhaps due to the aging population discussed elsewhere in this report. The professional services sector, which includes many traditional “white collar” jobs, has grown over the past decade, whereas government jobs, manufacturing, other services and the arts and entertainment sectors have seen some declines.

Figure 17.
San Juan County Employment, 2011-2021.

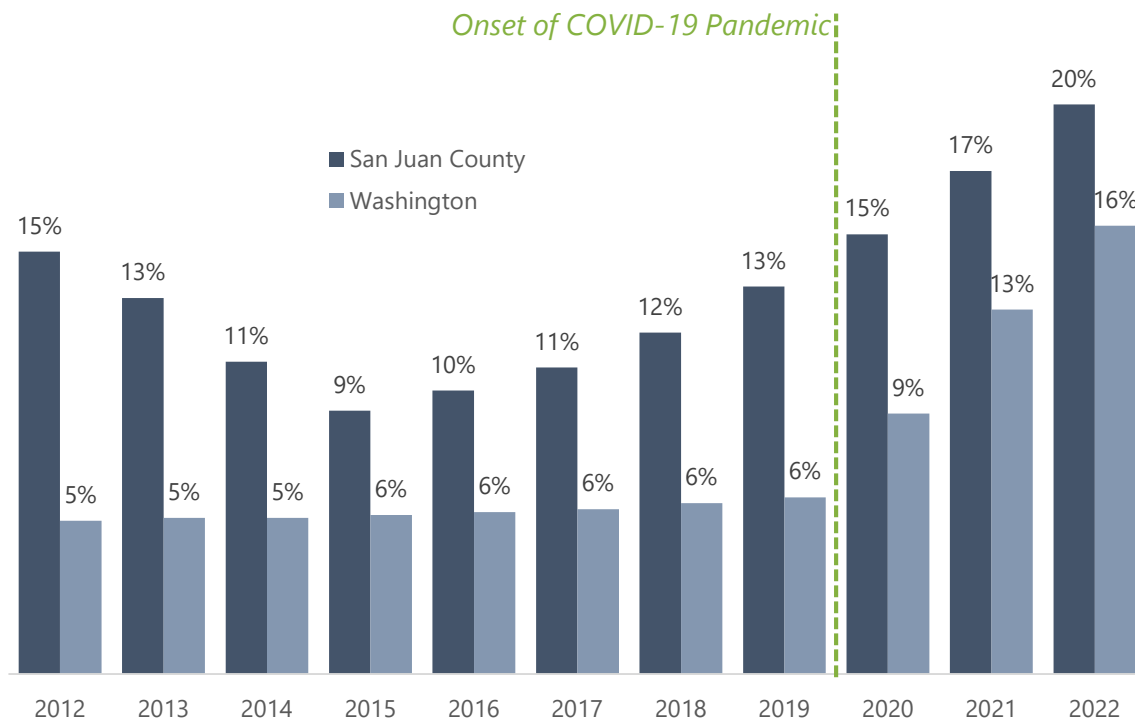
Industry Sector	Jobs in San Juan County		Jobs Worked by San Juan County Residents	
	2011	2021	2011	2021
Retail Trade	12.8%	15.0%	12.8%	14.5%
Construction	11.5%	15.3%	7.8%	12.1%
Health Care	8.1%	6.9%	9.7%	11.1%
Accommodation / Food	14.9%	13.6%	10.6%	10.5%
Education	10.0%	7.7%	9.4%	7.8%
Professional Services	2.9%	4.8%	4.2%	5.9%
Public Administration	8.2%	6.3%	6.8%	5.4%
Manufacturing	3.2%	3.9%	6.8%	4.7%
Administration, Waste Mgmt.	4.1%	4.7%	4.3%	4.6%
Other Services	6.6%	4.3%	6.5%	4.0%
Transportation, Warehousing	1.4%	2.5%	3.1%	3.3%
Arts, Entertainment, Recreation	5.0%	3.6%	3.8%	2.9%
Real Estate	1.8%	3.2%	1.8%	2.7%
Information	2.2%	2.3%	2.3%	2.4%
Wholesale Trade	1.7%	1.1%	3.1%	2.2%
Finance and Insurance	2.1%	1.1%	2.5%	2.2%
Agriculture, Forestry	1.1%	1.7%	2.0%	1.7%
Utilities	1.9%	1.6%	1.4%	1.2%
Management	0.5%	0.2%	0.6%	0.7%
Mining & Natural Resources	0.1%	0.1%	0.3%	0.1%

Source: Longitudinal Employer Household Dynamics (LEHD) via Census OnTheMap

The prevalence of remote work since the onset of the COVID-19 pandemic in 2020 has significantly changed the landscape of where people may choose to live by increasing flexibility, particularly for workers in knowledge industries. This has been particularly prevalent in more rural locations such as San Juan County. Figure 18 below shows Census data on remote work. San Juan County has historically had a higher share of people working from home, even before the COVID-19 pandemic. Since 2020, the share has been increasing, with 20 percent of workers reporting working from home as of 2022. On the other hand, the statewide average was between 5 and 6 percent of people working from home up until the pandemic. Since then, the statewide average has also increased by nearly three times, with 16 percent of workers in Washington reporting working from home as of 2022. This likely undercounts the scope of remote work, particularly if employees are

only working some days of the week from home. The latest research from the Survey of Working Attitudes and Arrangements, conducted monthly by Stanford University, ITAM, and the Hoover Institution, as well as the Census Household Pulse Survey, shows that about 30 percent of work *days* are worked from home on average – about 2.1 days per week.⁹ This number has remained constant for nearly two years. This data suggests that there are likely even more people working from home on an average day than the estimates shown below.

Figure 18.
Share of Employed Population Working From Home, 2012-2022



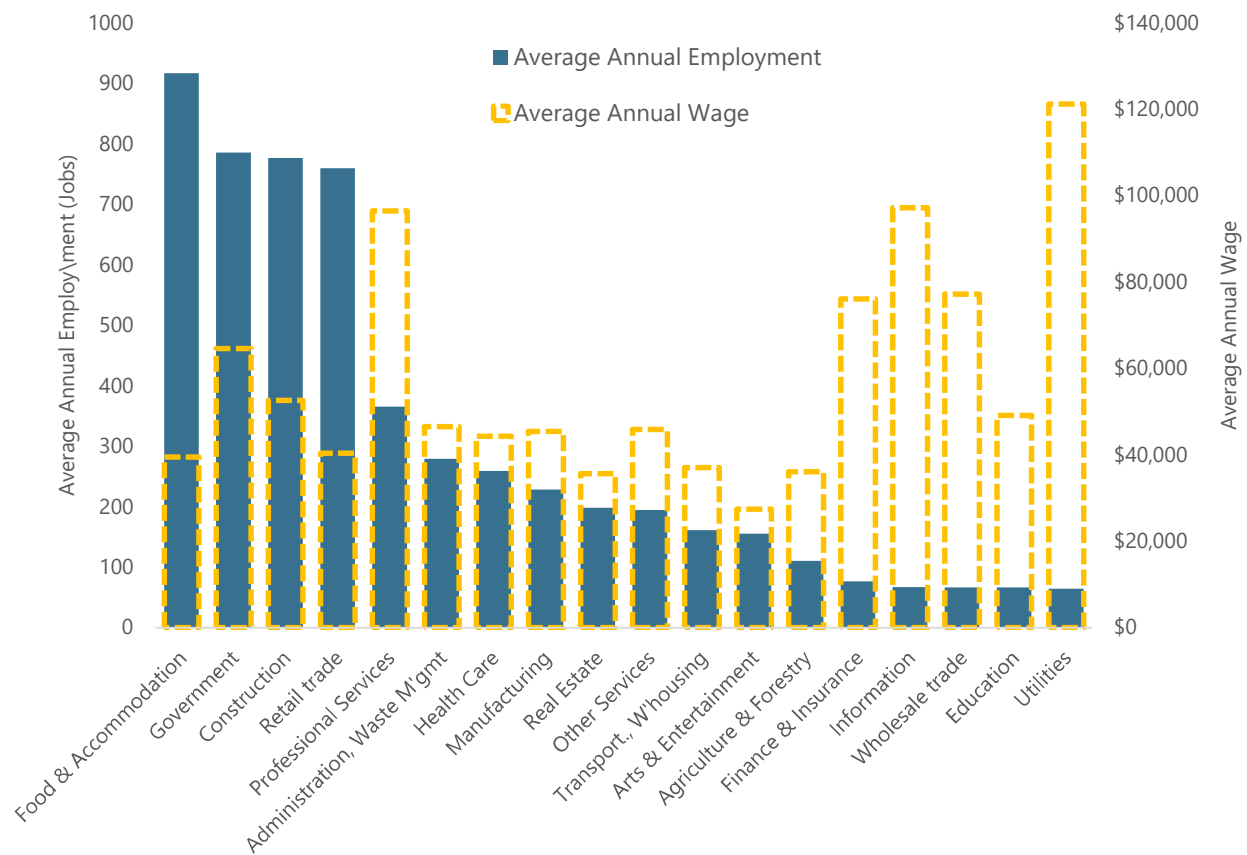
Source: U.S. Census Bureau, 2012-2022 American Community Survey 5-Year Estimates, Table S0801

Figure 19 shows the number of employees in each industry in 2023 (in blue bars) alongside the average annual wage by sector (in orange dotted bars). There is a noticeable dichotomy

⁹ Survey of Working Arrangements and Attitudes, www.wfhresearch.com, https://wfhresearch.com/wp-content/uploads/2024/08/WFHResearch_updates_August2024.pdf

shown in this data, with the County's most prevalent job sectors of accommodation, retail, construction, and government paying relatively low wages, compared to professional services, information (technology), finance, insurance, and utilities, which have the highest average salaries but employ significantly fewer people in the County.

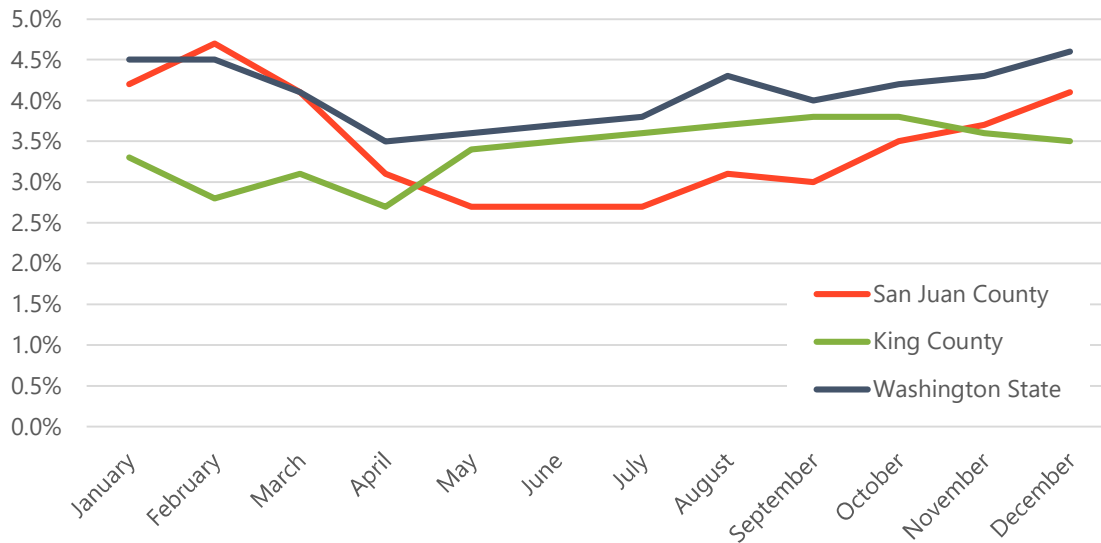
Figure 19.
Employment and Wages by Industry, San Juan County, 2023.



Employment in San Juan County is heavily seasonal and unemployment rates typically fluctuate up to 3 percent between their low point in January and the high in August.¹⁰ Figure 20 shows the dramatic change that occurs from one season to the next. Once again, this data paints the picture of a County whose economy is highly driven by the tourism industry.

¹⁰ <https://esd.wa.gov/labormarketinfo/labor-area-summaries>

Figure 20.
Unemployment Rate, Non-Seasonally Adjusted, 2023.



Source: Washington State Employment Security Department, Labor Area Summaries

KEY ISSUES:

- Employment participation in the County has declined as the median age has increased, resulting in an affluent retirement community with low wage employment options.
- Retail, construction, health care, and food/accommodation are the largest employment sectors in the County. Many of the sectors with the highest number of employees in the County pay relatively low wages, particularly in food and accommodation.
- Remote work has increased notably since the COVID-19 pandemic, with 20 percent of workers reporting working from home as of 2022.
- Tourism heavily affects employment in San Juan County, leading to large seasonal swings in unemployment.

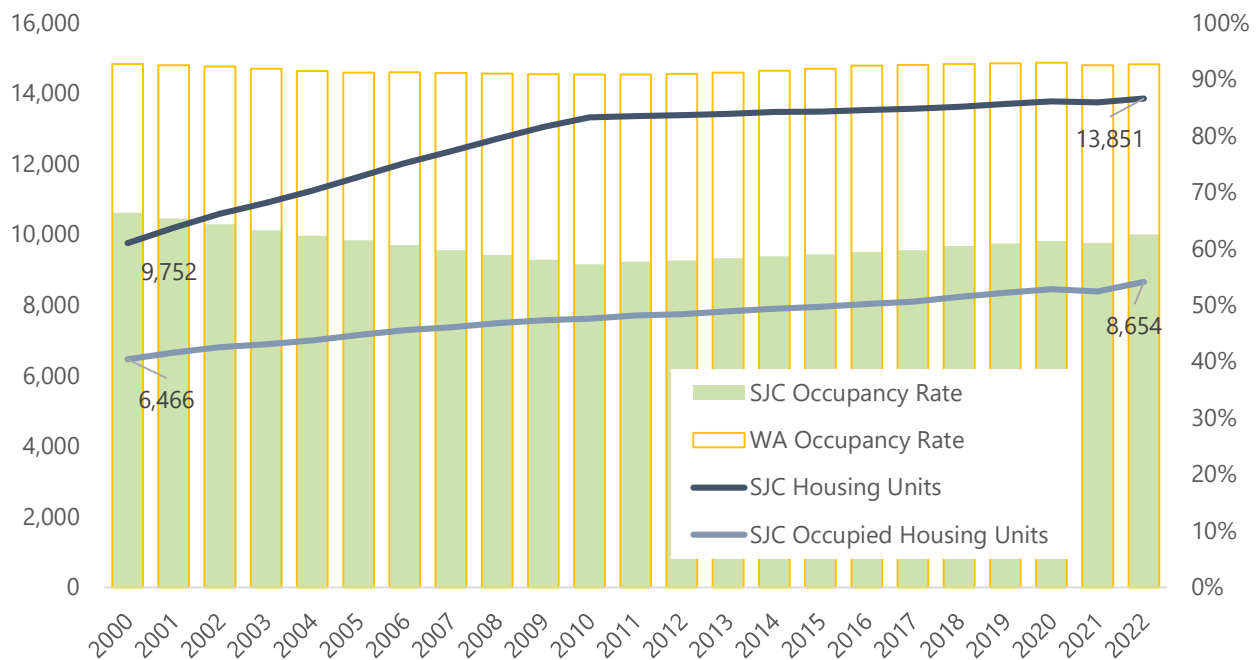
Housing Inventory
Housing Type and Quantity

To estimate future housing needs properly, the makeup of the current housing stock must be understood. According to the Washington State Office of Financial Management (OFM) in 2024, there were 14,343 total housing units in San Juan County for a population of 18,475. This means there was one housing unit for every 1.28 residents. Standard

economic theory would suggest that the abundance of housing units would put a downward pressure on prices. However, in San Juan County the housing price trajectory over the last decade has been almost exactly the opposite. A large population of second and vacation homes in the County mostly explains this phenomenon.

San Juan County housing unit inventory increased thirty-seven percent from the 2000 Census to the 2010 Census. Since the 2010 Census, development in the County has slowed, and the most recent OFM data shows only an eight percent increase from 2010-2024. The table below in Figure 21 shows these trends as well as occupancy rates for the county.

Figure 21.
San Juan County Housing Units and Occupancy, 2000-2022

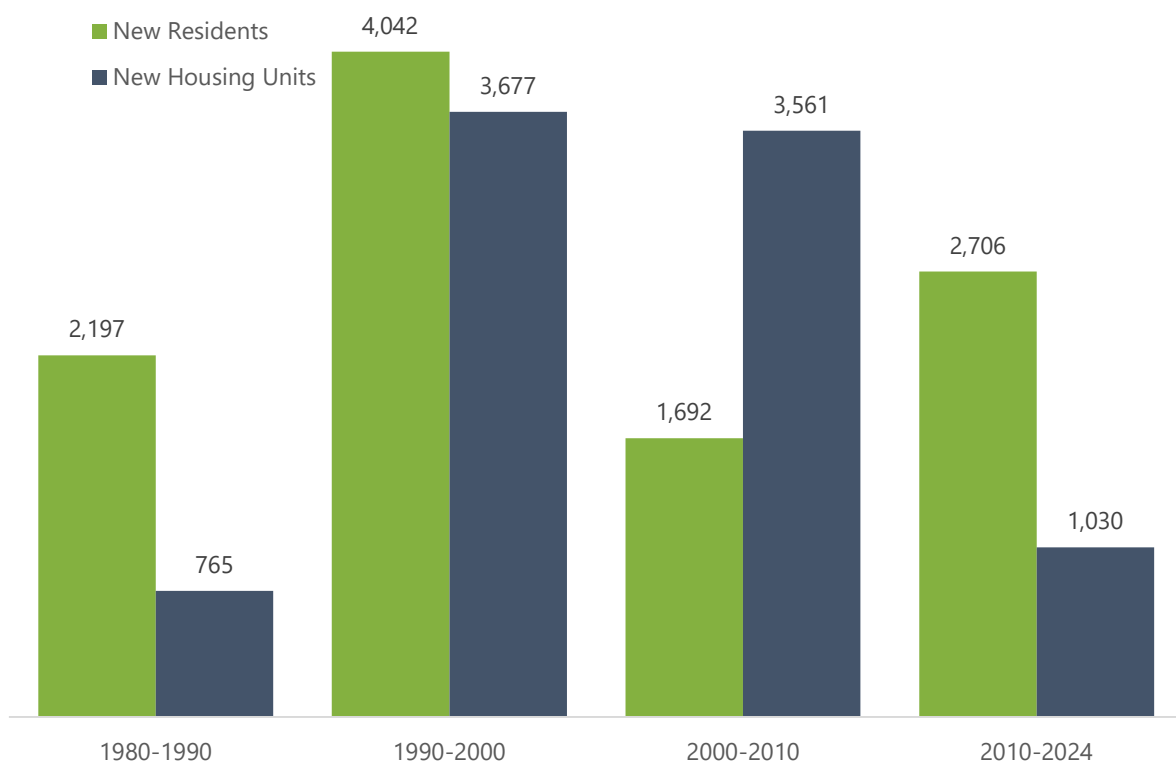


Source: Washington Office of Financial Management, Intercensal Housing Estimates (2000-2020), U.S. Census Bureau American Community Survey 5-Year Estimates, Table B25002

Figure 22 compares the number of new residents in the County to the number of new housing units built since 1980. In the 1980s, new residents outpaced new housing construction, but this reversed by the 2000s, with nearly twice as many new units as new residents between 2000 and 2010. However, this did not necessarily translate into increased housing availability for full-time residents as many of these were vacation homes

or seasonal homes, as shown by the decreasing occupancy rates during that period above in Figure 21. More recently, since 2010, this trend has again reversed, with increases in population outpacing increases in housing production, as was the case in the 1980s. This increase in population has likely only exacerbated pressure on the existing housing stock to house new residents.

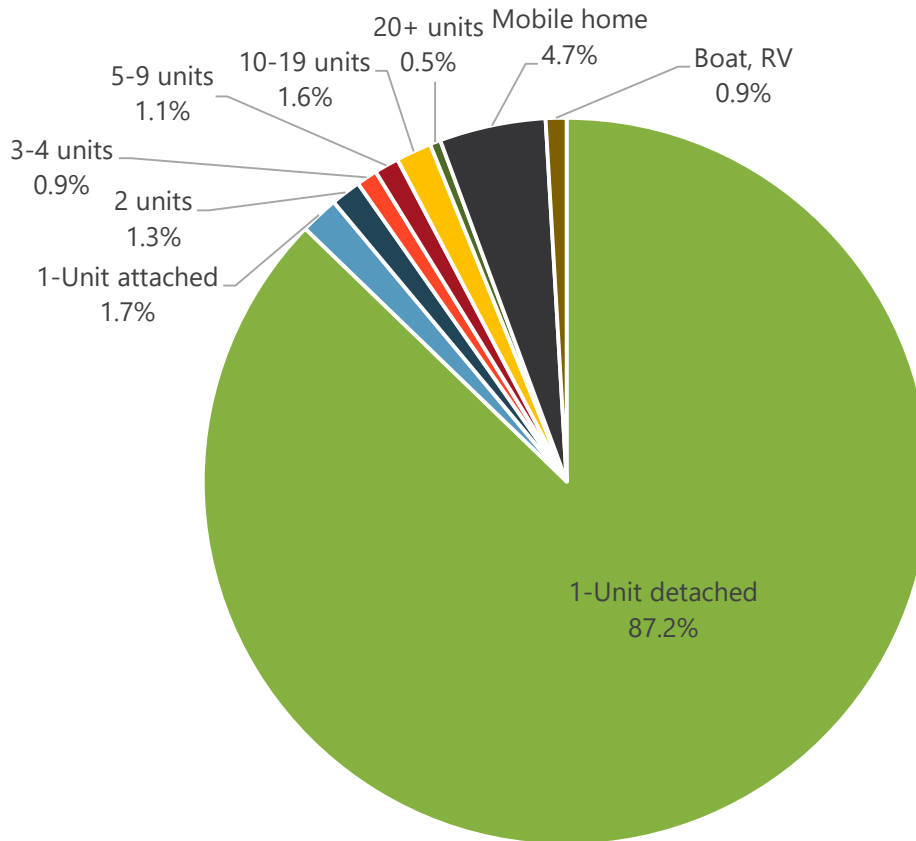
Figure 22.
New Residents to New Housing Units, 1980-2024.



Source: Washington Office of Financial Management Postcensal & Intercensal Population and Housing Estimates, April 1 Population and Housing Estimates.

Figure 24 shows a breakdown of the County’s housing units by unit type. The large majority of units are single-unit detached homes, at 87 percent. There are small shares of “middle housing” of 2-9 units, totaling about 3 percent, and about two percent of units are in buildings of 10 units or more. A larger share of the County’s housing units, nearly 5 percent, are in mobile homes.

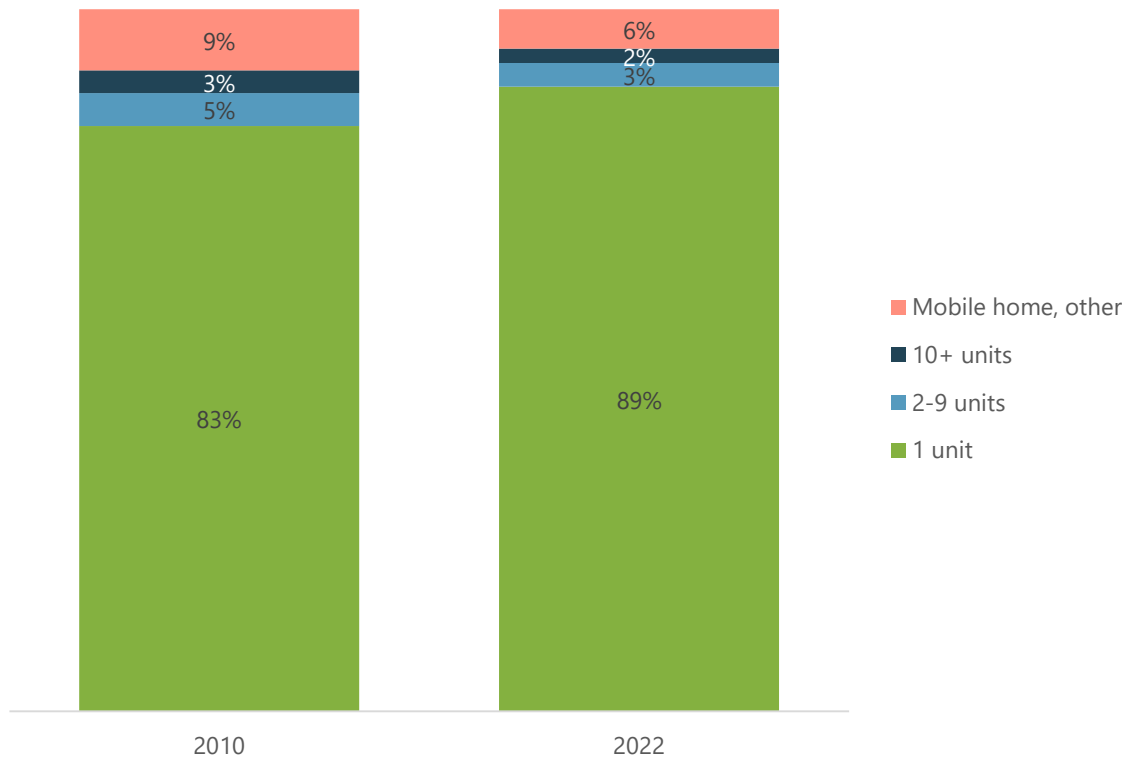
Figure 23.
San Juan County Housing Units by Type, 2022.



Source: U.S. Census Bureau American Community Survey 5-Year Estimates, Table DP04

Figure 24 shows the share of units by housing type in 2010 and 2022. Since 2010, the share of single-family homes has increased by 6 percent from 83 to 89 percent. Apartments and mobile homes make up a smaller share of housing units in the County now compared with 2010, both because of an increase in single-family homes and a decrease in multifamily housing types. In particular, the number of mobile homes has decreased from 1,110 to 782 between 2010 and 2022.

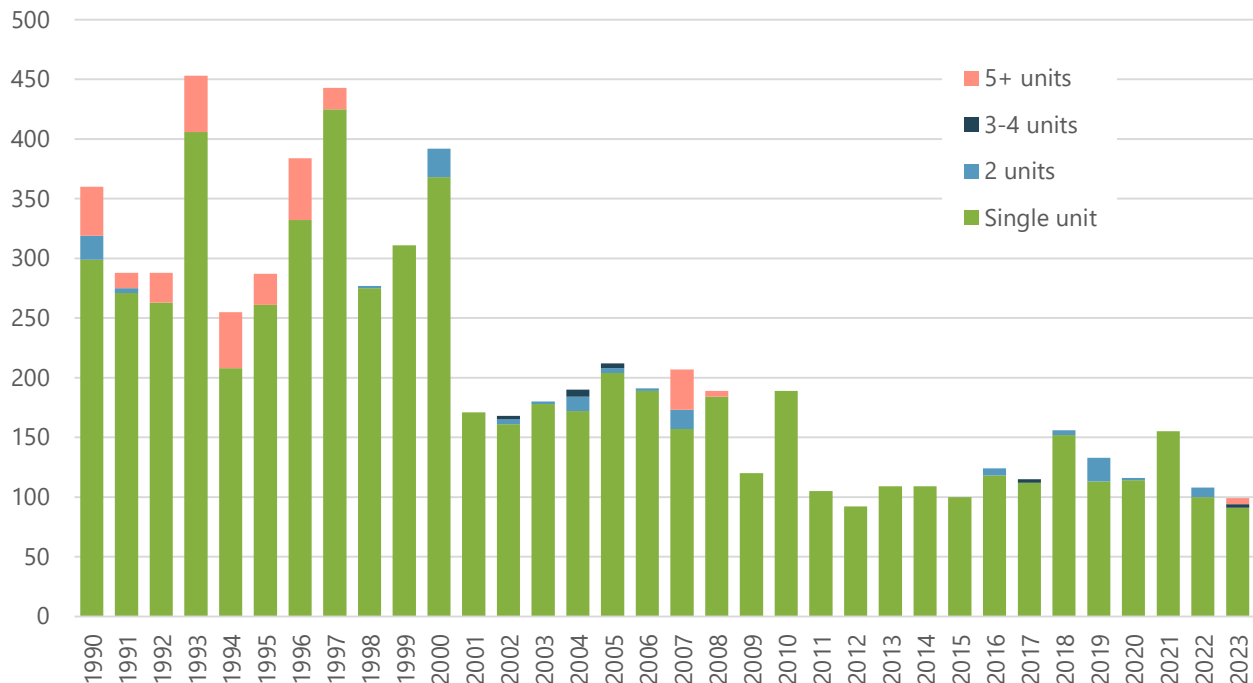
Figure 24.
2016 San Juan County Housing Inventory, 1990-2016.



Source: U.S. Census Bureau American Community Survey 5-Year Estimates, Table DP04

Figure 25 shows the number of housing building permits issued in the County from 1990-2023. After a construction boom during the 1990's, construction of new houses slowed during the early 2000s and further slowed following the 2008 recession. Construction of new multi-family housing projects has almost entirely ceased, although there have been some duplexes and other "middle housing" projects of 3-5 units produced in small quantities in recent years. Due to low multi-family unit production over the past three decades, the County now has a lack of diversity in its housing structures.

Figure 25.
San Juan County Housing Permits, 1990-2023.



Source: U.S. Census Bureau Building Permits Survey

KEY ISSUES:

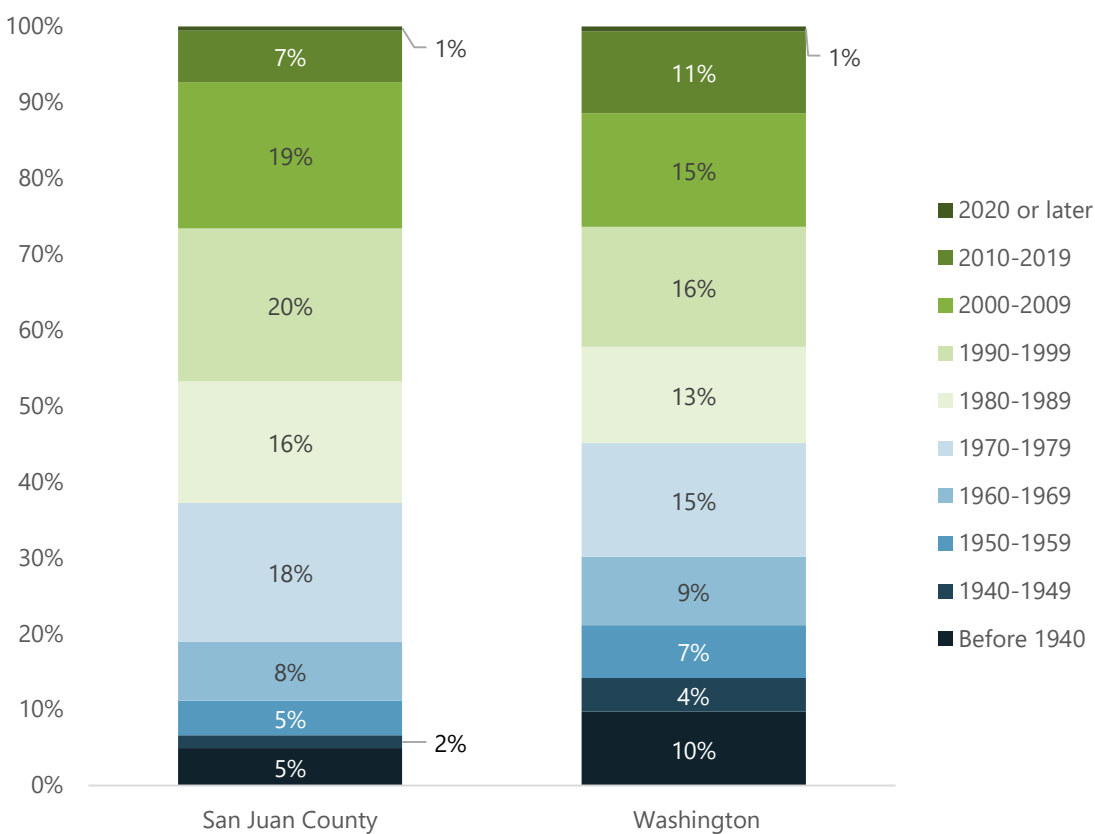
- In the past decade, there were more than 2 new residents in San Juan County for each new housing unit, putting increased pressure on the existing housing supply.
- San Juan County shows a lack of diversity of housing types with sparse numbers of middle housing and multi-family units, and multifamily construction has essentially ceased since 2009.
- Housing production in the County has decreased since 2000, and further since the 2008 recession, with between 100-150 units per year built since 2010, compared with 250-450 per year between 1990 and 2000.

Age and Condition of Housing Stock

Figure 26 shows the breakdown of San Juan County’s housing stock by age. About 42 percent of the houses in San Juan County were built in the year 1990 or later, as opposed to 47 percent in Washington State. Ideally, this would mean that the County might not need

to devote quite as many resources to maintain the upkeep of the existing aging housing stock as other areas in our state. Only 19 percent of houses in the County were built before 1970 while the rest of the State sits at 30 percent. However, this data also corroborates the permit data shown above, showing a slowdown in housing production since 2010, particularly when compared to the early 2000s, when 19 percent of the County's housing stock was built.

Figure 26.
Year Housing Built in San Juan County, 2022.



Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates, Table DP04

Census data reports that about 1.7 percent of housing units in San Juan County lack complete plumbing facilities, down from 2.4 percent a decade ago. This is higher than the statewide average of 0.4 percent of units which lack complete plumbing facilities. Additionally, 1.8 percent of units lack complete kitchen facilities, also higher than the 1.1 average statewide and a slight increase from 1.2 percent a decade ago.

According to the local family resource centers, there has been an increase in the number of families living in substandard housing with poor conditions such as trailers or recreational vehicles, and it is not uncommon for people to live some or all of the year in a tent. Also, 14.9 percent of respondents to the County's 2024 Point in Time Homeless Count were those living in substandard structures.

KEY ISSUES:

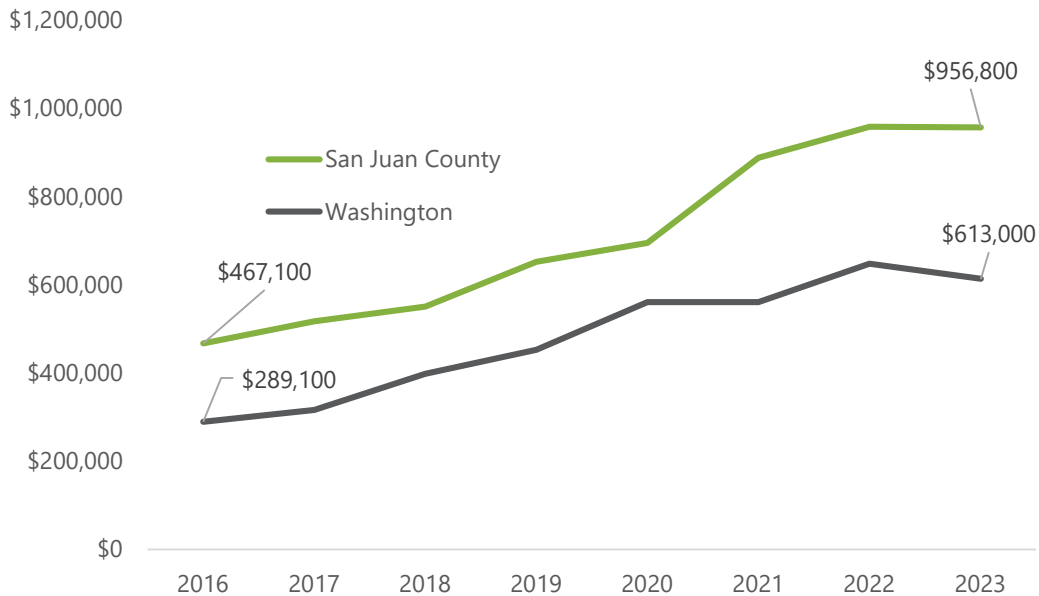
- The County's housing stock is generally newer than statewide averages, with 42 percent of units in San Juan County built since 1990 and only 19 percent built before 1970.
- The number of occupied housing units lacking complete plumbing facilities and/or complete kitchen facilities are higher than statewide averages.

Ownership Housing

According to the Washington Center for Real Estate Research (WCRER), the median home price in San Juan County in 2023 was \$956,800. This aligns with data from commercial real estate sources such as Zillow, which estimates the typical home value in the county as of July 2024 at \$906,519.¹¹ As shown below in [Figure 27](#), housing prices have increased dramatically in San Juan County and across Washington in recent years. Since 2016, prices have increased about 105 percent (essentially doubled) in the County, an average annual increase of 10.8 percent. The most dramatic price increase occurred in 2020-2022, immediately after the onset of the COVID-19 pandemic, when low interest rates and a desire for more space dramatically increased housing demand in many desirable and more rural areas, such as San Juan County. More recently, the rapid increase in housing prices seen in the past few years has slowed down significantly due to increased interest rates in the past two years, with little change from 2022-2023 in the County and a slight decrease statewide. Nevertheless, average housing prices in San Juan County were still about one and a half times that of the statewide average in 2023. Because the County is a desirable tourist and second home destination, homebuyers must compete for housing not only with other County residents but also with people from all over the world.

¹¹ Zillow Home Value Index (ZHVI), accessed 8/19/24 at <https://www.zillow.com/research/data/>

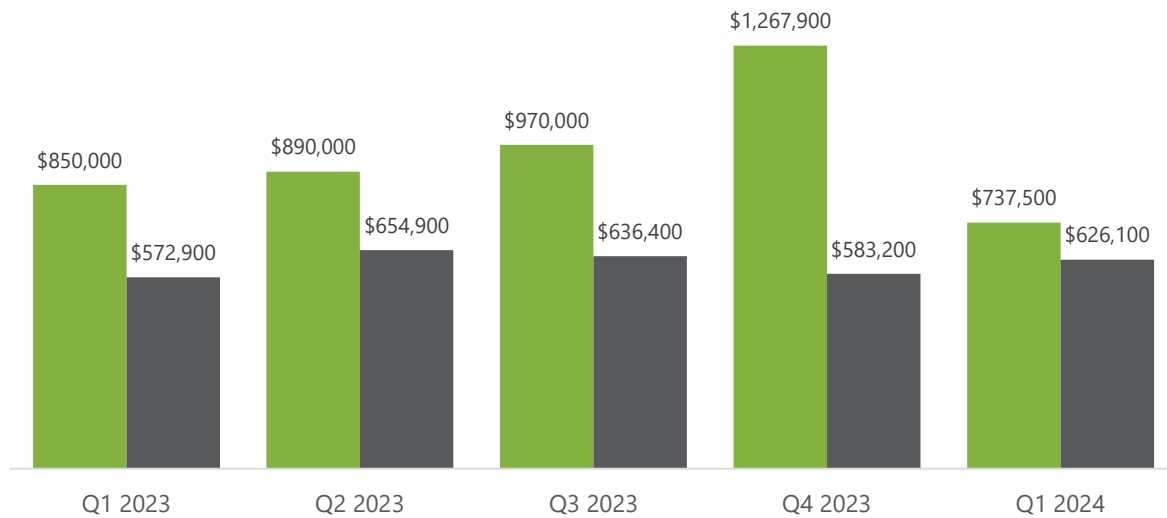
Figure 27.
Annual Median Home Price in San Juan County, 2016-2023.



Source: Washington Center for Real Estate Research (WCRER) 1st Quarter 2023 Housing Market Report

More recent data from the first quarter of 2024 indicates that housing prices in the County may have peaked, with a dramatic reduction in the median home price from \$1.2 million in the 4th quarter of 2023 to \$737,500 in the first quarter of 2024 – much more in line with the statewide median, as shown below in [Figure 28](#). However, this rapid decrease in price is only one data point, and comparison with Redfin data shows significant fluctuation in median sales prices so far in 2024, so it may not signal a long-term decreasing trend. However, the available data does suggest at least a significant stabilization of home prices in the County is underway.

Figure 28.
Quarterly Median Home Price in San Juan County, 2023-2024 (YTD).

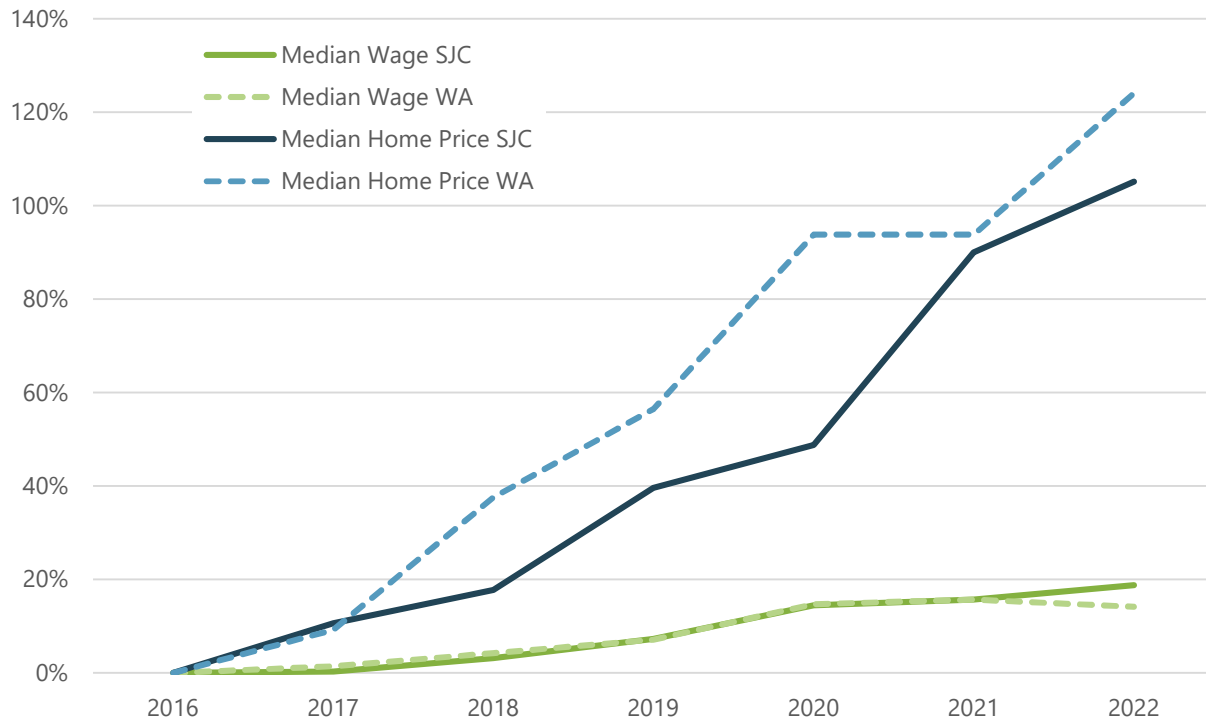


Source: Washington Center for Real Estate Research (WCRER) 1st Quarter 2023 Housing Market Report

Anecdotally, one contributing factor to high home values and difficulties in creating affordable housing (see Section 5.4) is the reputed higher cost of construction on the islands. The cost of transporting certain building materials from the mainland and a small labor pool of skilled local labor means considerably higher construction costs and challenges than other areas of the State.

As seen in [Figure 29](#), wages have risen much slower than home prices both in San Juan County and statewide in recent years. While wages only rose about 20 percent between 2016 and 2022, home prices more than doubled during that period, both in the County and the State. As noted above however, home prices have stabilized recently, and tracking wage and income data as it becomes available in the coming year will provide useful context around housing affordability in the County moving forward.

Figure 29.
Change in Median Home Prices and Median Wages, 2016-2022.



Source: Washington Center for Real Estate Research (WCRER), Calculations by the Washington Regional Economic Analysis Project (WA-REAP) with data provided by the U.S. Department of Commerce, Bureau of Economic Analysis

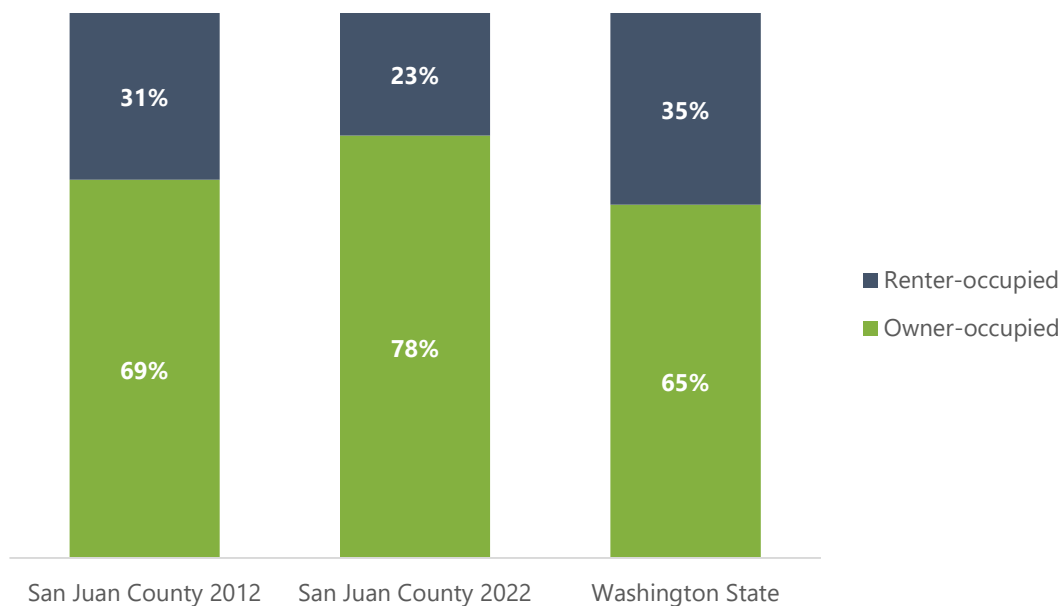
KEY ISSUES:

- Ownership housing prices in San Juan County have more than doubled since 2016, with a median home price of \$956,800 in 2023. However, early 2024 data suggests that home prices have stabilized or may have begun to decrease somewhat.
- Home prices in San Juan County have consistently been higher than statewide averages, and were about 1.5 times higher than the Washington average in 2023.
- Wages have risen much more slowly than home prices in San Juan County, with a 20 percent increase in wages between 2016 and 2022, compared with a doubling of home prices in the same period.

Rental Housing

In 2022, renter-occupied housing units made up roughly 23 percent of all occupied housing units in the County, shown below in [Figure 30](#). This is more than ten percent less than the statewide average of 35 percent, and a decrease from 31 percent of renter-occupied units in 2012. Note that these figures only take into account the percentage of full-time occupied units, excluding vacation rentals, which are discussed further in section 5.4.5 below.

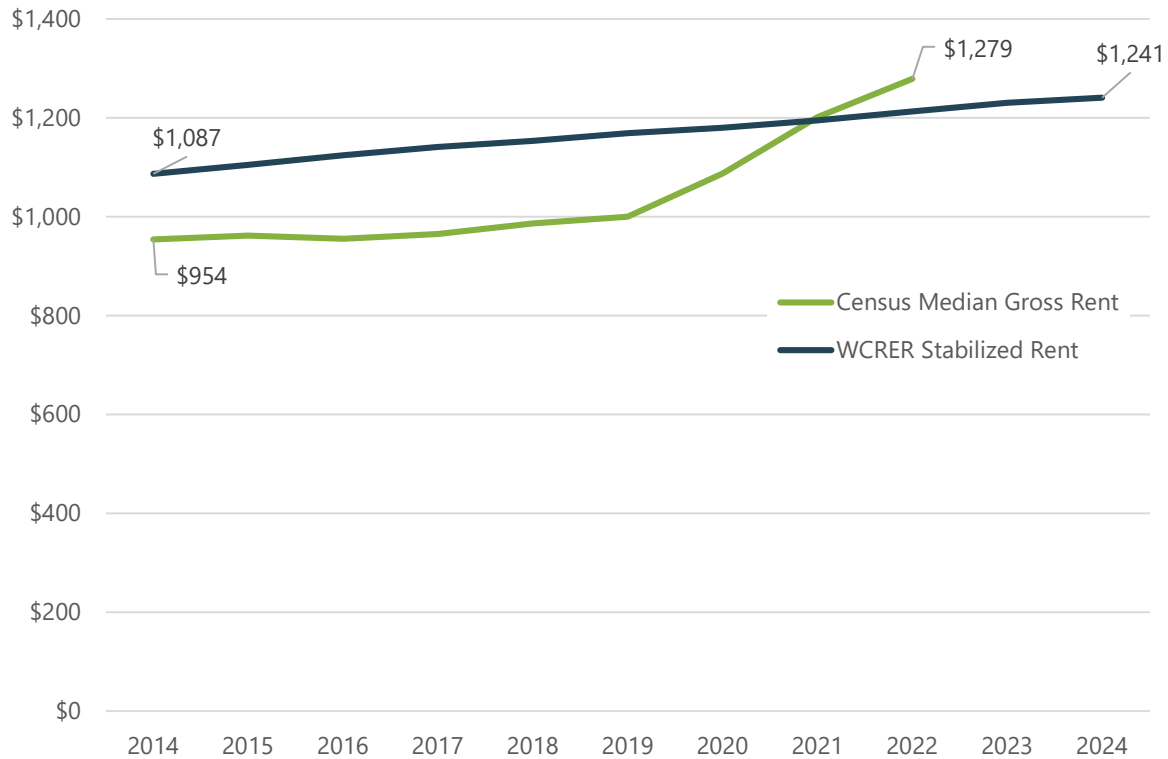
Figure 30.
Housing Tenure in San Juan County, 2012-2022



Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates, Table DP04

Accurate data on rental prices can be challenging to obtain. [Figure 31](#) below shows rents in San Juan County over the past decade from both the Census American Community Survey and from the Washington Center for Real Estate Research (WCRER). The Census data is self-reported, and the WCRER data is drawn from CoStar, a national real estate database, and represents rents in buildings of five units or more stabilized by the WCRER to account for changes due to new construction. Overall, rents have increased in recent years, and Census data suggests that this trend has accelerated since 2020. The lack of rapid increase in WCRER rents in the same period suggests that rentals in single-family homes or smaller units have increased, whereas apartment rentals may be more stable.

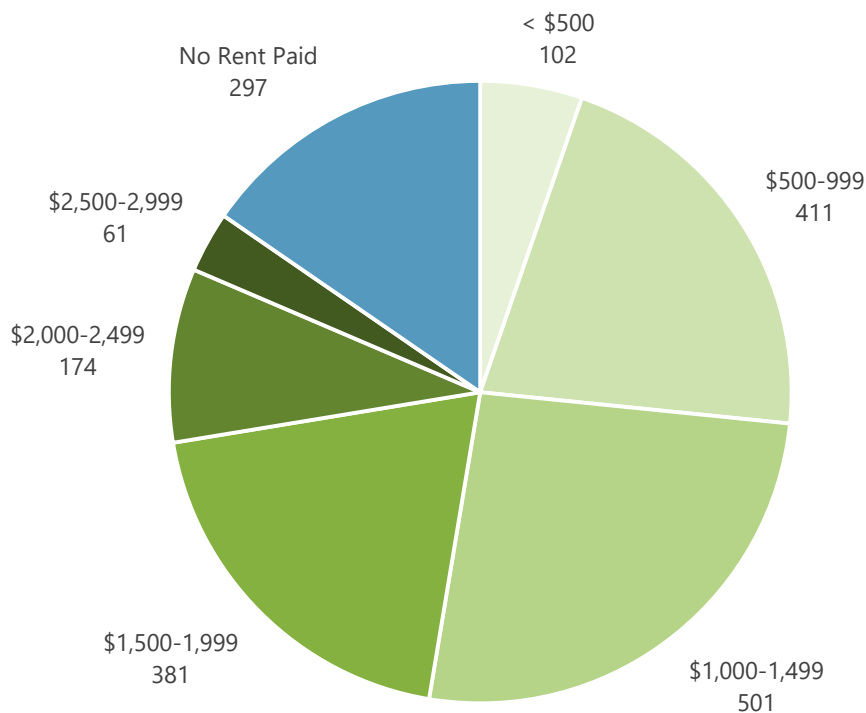
Figure 31.
Rents in San Juan County, 2012-2022



Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates, Table DP04, Washington Center for Real Estate Research (WCRER) City and County Rental Data.

Figure 32 illustrates the County’s inventory of rental housing units by Census-reported gross rent. About half of units in the county rent for \$1,500 or less, with smaller shares renting for \$2,000 and higher. San Juan County has a large population of rental units with no cash rent, 15 percent of all rental housing units in the County. It is hard to speculate on the details of rental units without cash rent, but these units likely consist primarily of accessory dwelling units on properties where the tenants labor in lieu of rent. Similarly, many units that have less than \$500 rent are apt to be a similarly subsidized arrangement.

Figure 32.
Number of Rental Housing Units by Gross Rent, 2022



Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates, Table DP04

Anecdotally, the rental market in San Juan County tends to be volatile and seasonal. More housing is typically available in the winter months when there is less demand for rental housing from seasonal workers, and homes that were used for vacation rentals during the summer months are temporarily used for semi-long term tenants when demand is lower. Coupled with an extremely low vacancy rate, even the loss of one rental housing unit can lead to an entire family relocating off island. This puts tremendous economic pressure on renters in San Juan County who must live in uncertainty. In a healthy housing economy, there is a steady stock of vacant rentals available for people experiencing short or long-term economic transitions due to job or housing losses.

KEY ISSUES:

- Renter-occupied housing units make up 23 percent of the houses in San Juan County, compared with 35 percent of units statewide.

- Average rents in the County have increased gradually over the past decade, and some data sources suggest more rapid rises in rents since the COVID-19 pandemic.
- Current rents in the County average around \$1,200 per month. About half of units rent for \$1,500 or less.
- Rental housing in the County can be volatile and is affected by seasonal economic shifts and part-time residents.

Vacant Units

The numbers in Table 1 are derived from both the decennial censuses of 2000, 2010 and 2020 as well as the 2022 ACS 5-Year Estimate. These data sets cannot be directly compared because the ACS is an average over a 5-year period rather than a single point in time. The two sets together are useful for insight into current occupancy trends.

Table 2 illustrates a disproportionate number of vacant housing units in San Juan County. According to the 2022 ACS 5-year estimates, vacant housing units made up 7.4 percent of all total housing units in Washington State. San Juan County had 37.5 percent vacant units in the same period.

From 2000 to 2010, the share of vacant housing units increased from 33.7 to 42.82 percent of total units in the County. Since then, the share has decreased slightly, to 38.67 percent at the 2020 Census and an estimated 37.5 percent as of the 2022 ACS. Despite this gradual decrease, over a third of housing in the County is still considered vacant, and the vast majority of those units are characterized as for seasonal, recreational, or occasional (SRO) use. These include vacation rentals, second or seasonal homes, time-shares, and housing for seasonal workers. These units significantly reduce the amount of housing available to full-time residents of the County. The remainder of units classified as vacant represent those housing units currently for sale or for rent, units which have recently been sold but are not yet occupied, and units left unoccupied for “personal reasons of the owner.”¹²

¹² Source: 2010 Census Summary File, Technical Documentation, U.S. Census Bureau September 2012

Table 1.
San Juan County Housing by Occupancy

	2000 Census	2010 Census	2020 Census	2022 ACS
Total housing units	9,752	13,313	13,772	13,851
Owner occupied	4,754	5,360	6,231	6,709
Renter occupied	1,712	2,253	2,215	1,945
Vacant housing units	3,286	5,700	5,326	5,197
Percentage of Total				
Owner occupied	48.75%	40.26%	45.24%	48.44%
Renter occupied	17.56%	16.92%	16.08%	14.04%
Vacant housing units	33.70%	42.82%	38.67%	37.50%
For seasonal, recreational, or occasional use	28.47%	35.66%	32.30%	32.98%
Non-SRO (i.e. permanent) vacancy rate	5.23%	7.16%	6.37%	4.52%
Vacant Housing Unit by Type				
For seasonal, recreational, or occasional use	2,776	4,748	4,449	4,568
For sale only	82	187	113	82
For rent	129	311	150	105
Rented or sold, not occupied	63	57	64	102
For migrant workers	0	5	0	7
Other vacant	236	392	485	333

Source: U.S. Census Bureau, 2010 Census, 2020 Census, 2022 American Community Survey 5-Year Estimates, Tables DP04, S2501, B25004

Of vacant housing in 2020, 4,449 housing units were classified in SRO uses, a slight decrease from 4,748 SRO units in 2010. This contrasts dramatically with the change between 2000 and 2010, when the County added nearly 2,000 SRO units. However, the 2022 ACS indicates that the number of SRO units in the County has continued to remain more stable in the past few years since the 2020 Census, and the relatively consistent vacancy rates since 2010 suggest that vacant units, and particularly SRO units, will likely continue to comprise a sizeable proportion of the County’s housing stock over the next 20 years, and these units will continue to impact housing availability and affordability, since they are effectively removed from the pool of available housing stock for full-time residents of San Juan County.

The ACS provides a breakdown of vacant units by Census County Subdivision (CCD). San Juan County contains three subdivisions shown below in [Figure 33](#), corresponding to the

three main islands plus their adjacent smaller islands (Lopez and Shaw are grouped together).

Figure 33.
San Juan County Census County Subdivisions (CCDs)



Source: U.S. Census Bureau TIGER/LINE Shapefiles, Google, San Juan County, Leland Consulting Group

The three CCDs have similar housing vacancy rates. About one third of the housing stock on these islands was vacant in 2022. Interestingly, the town of Friday Harbor has a noticeably lower vacancy rate, at only 4.2 percent, although half of the vacant units in Friday Harbor are SRO uses.

Table 2
Housing Inventory by Island, 2022.

Island / Area	Total Units	% of Total	Vacant Units	% of Total	Rental Units	% of Total
San Juan County	13,851		5,197		1,945	
Lopez CCD (including Shaw)	3,448	24.89%	1,713	32.96%	352	18.10%
Orcas CCD	4,542	32.79%	1,813	34.89%	598	30.75%
San Juan CCD	5,861	42.31%	1,671	32.15%	995	51.16%
<i>Friday Harbor</i>	<i>1,397</i>	<i>10.09%</i>	<i>219</i>	<i>4.21%</i>	<i>498</i>	<i>25.60%</i>
<i>Unincorporated San Juan Island</i>	<i>4,464</i>	<i>32.23%</i>	<i>1,452</i>	<i>27.94%</i>	<i>497</i>	<i>25.55%</i>

Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates, Table B25001, B25004

KEY ISSUES:

- In San Juan County, 38 percent of units were vacant as of 2022, compared with only 7.4 percent statewide. The share of vacant units has decreased from 43 percent in 2010, but still makes up a very large share of units in the County which are not available to full time residents.
- The vast majority of vacant units in the County are categorized as “for seasonal, recreational, or occasional use” (SRO). There were about 4,500 SRO units in the county as of 2022.
- Vacancy rates are similar across the main islands, although the Town of Friday Harbor has a significantly lower vacancy rate.

Vacation Rentals

Vacation rentals are prevalent in San Juan County. There are currently 962 vacation rental permits countywide, or approximately 7% of the countywide housing stock. After years of steady growth in vacation rentals, in 2022 San Juan County adopted limits to the number of vacation rental permits allowed per island to reduce impacts to housing available to year-

round residents. The limits, also known as caps, will, over time, reduce the number of permits on Orcas to 2011, maintain the 337 permits allowed on San Juan Island, and allow up to 135 permits on Lopez Island. As of 2025, the County is developing a lottery system for issuing future vacation rental permits. The County is evaluating compliant and noncompliant permits to develop a master list of compliant permits. Noncompliant permits may be removed from the master list, which will be used to determine the number of new permits available through lottery.

Housing Affordability

Definitions and Income Levels

San Juan County Code 18.60.260 defines affordable housing as:

“housing where the occupants pay no more than 30 percent of gross monthly income for total housing costs, including the cost of property taxes and insurance for homeowners and monthly utilities, excluding telephone, for owners and renters. Except where further specified in the Comprehensive Plan and this code, “affordable housing” refers to such housing serving as the primary residence for very low-, low-, moderate- and middle-income .50households. The definition of income groups by household size shall be as most recently defined by the U.S. Department of Housing and Urban Development (HUD) for San Juan County.”

Table 3 below sets out HUD’s income limit guidelines for 2024. HUD defines these guidelines as:

“...income limits that determine eligibility for assisted housing programs including the Public Housing, Section 8 project-based, Section 8 Housing Choice Voucher, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities programs. HUD develops income limits based on Median Family Income estimates and Fair Market Rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county.”

Table 3
HUD Area Median Income Limit Guidelines, 2024¹³.

Area	Median Income	2024 Income Limit		BASE					
		Category		1 person	2 persons	3 persons	4 persons	5 persons	6 persons
San Juan County Area	\$104,700 Median								
		Extremely Low	30%	21,350	24,400	27,450	31,200	36,580	41,960
		Very Low	50%	35,550	40,600	45,700	50,750	54,800	58,900
		Low	80%	56,850	65,000	73,100	81,200	87,700	94,200
		Moderate	115%	84,300	96,300	108,350	120,400	130,050	139,650

Source for 2024 Median Income, Extremely Low, Very Low, and Low Categories:
<https://www.huduser.gov/portal/datasets/il/il2024/2024summary.odn>

Between the years 2012-2013, San Juan County created the *Community Conversations Report*¹⁴. This report arose out of a series of roundtable discussions on Orcas, Lopez, San Juan and Shaw islands involving over 500 participants regarding the quality of life, size, shape, and service level priorities of County government moving forward. One theme that arose frequently during these conversations was the topic of affordable housing and its importance to not only low-income households. The report also highlighted the need for better affordable housing options for middle-income households as well. It goes on to say:

“Without a more diverse economy that includes high-tech jobs, diversified agriculture, more affordable housing (for seasonal and permanent local jobs), and regulations that support cottage industries, the Islands will likely see a continued slow decline in the economy and the number of available jobs (particularly family-wage rather than minimum-wage jobs).”

Affordable housing in San Juan County directly affects the economic and social makeup of the community. Those who wish to make their lives on these islands do not have the economic freedom of movement available in other communities because it is so cumbersome to commute to and from the mainland to work. This housing gap for those in

¹³ Moderate, Middle and Low Upper data was calculated by multiplying the Median Income by the Income Limit percentage to derive the 4 person limit, and then multiplying that number by 70 percent for 1 person, 80 percent for 2 persons, 90 percent for 3 person, 108 percent for 5 persons and 116 percent for 6 persons and then rounded to the nearest \$50.

¹⁴ <http://www.sanjuanco.com/DocumentCenter/Home/View/12897>

low-income brackets can in turn lead to a shortage of workers for island businesses, directly affecting the overall economic health of the community.

The Lopez Family Resource Center in their 2017 Affordable Housing Assessment states the case for the importance of affordable housing in San Juan County:

“Having sufficient affordable housing is vital to retain residents and provide them with the opportunity to thrive and reach their full potential. Affordable housing allows households to set aside money to save for emergencies, improve their health, further their education, expand employment, have high quality childcare and/or invest in their future, all of which builds more financial security.

Stable Housing Means Stable Children- Research indicates that children who experience a high degree of turbulence are more likely to have high levels of emotional and behavioral problems. Lack of regular, stable housing, and the resulting transitions, can negatively affect children’s development, including their physical, social-emotional, and cognitive development.

Stable Housing Means a Healthier Community- Improving housing conditions has shown to reduce health care spending, improve public health, and increases productivity. All of which create a healthier Lopez community.

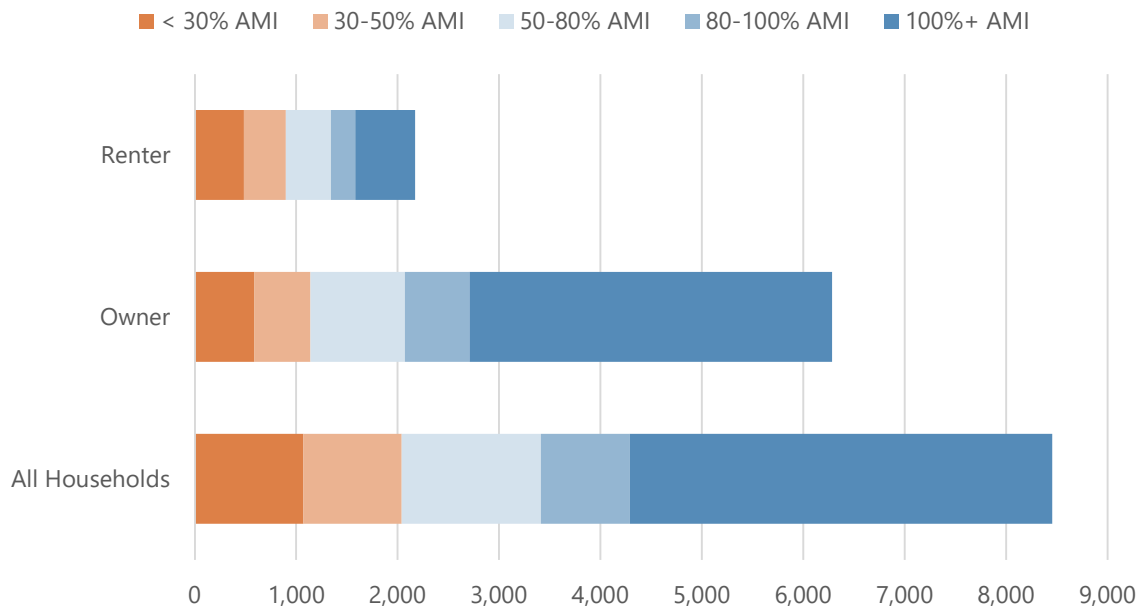
Stable Housing Means Economic Development- Sufficient affordable housing also has a multiplier effect for local economies making it easier for employers to attract talent, create jobs and boost spending by its residents.

Stable Housing Sustains a Year Round Community- Lopez has experienced many positive benefits from investing in local solutions for affordable housing. We see a more stable school population, small businesses developing, an increase in EMT’s and firefighters and other volunteers, less stress among household members - all because people have stable, affordable housing.”

Figure shows the distribution of households in San Juan County by income within HUD’s Area Median Income. By far the most common subset is households making more than 100 percent of the area median family income who own their home, followed by owners making between 50 to 80 percent of AMI and renters making above 100 percent AMI. Of all

the households in San Juan County, about 40 percent have income that is considered either low, very low or extremely low according to HUD’s guidelines, and among renters, almost two-thirds are considered low, very low, or extremely low income households.

Figure 39
Households by Area Median Income Distribution, 2020.



Source: 2020 HUD CHAS (Comprehensive Housing Affordability Strategy)

KEY ISSUES:

- The Area Median Income as defined by HUD in San Juan County in 2024 is \$104,700.
- About 40 percent of households have income that is considered either low, very low or extremely low according to HUD’s guidelines, and among renters, almost two-thirds are considered low, very low, or extremely low income households.

Housing Affordability Index

The Washington Center for Real Estate Research (WCRER) produces housing affordability indexes for owners and renters, as well as first-time homebuyers and low-income renters. These indexes are based on a score of 100, which indicates that a household would be able to afford a mortgage or rental payments without spending more than thirty percent of

their income on housing, a typical measure of housing affordability referred to by HUD as “cost burden.” Scores lower than 100 indicate that the household would not have enough money to buy or rent, and scores above 100 indicate that the household would have more money than required.

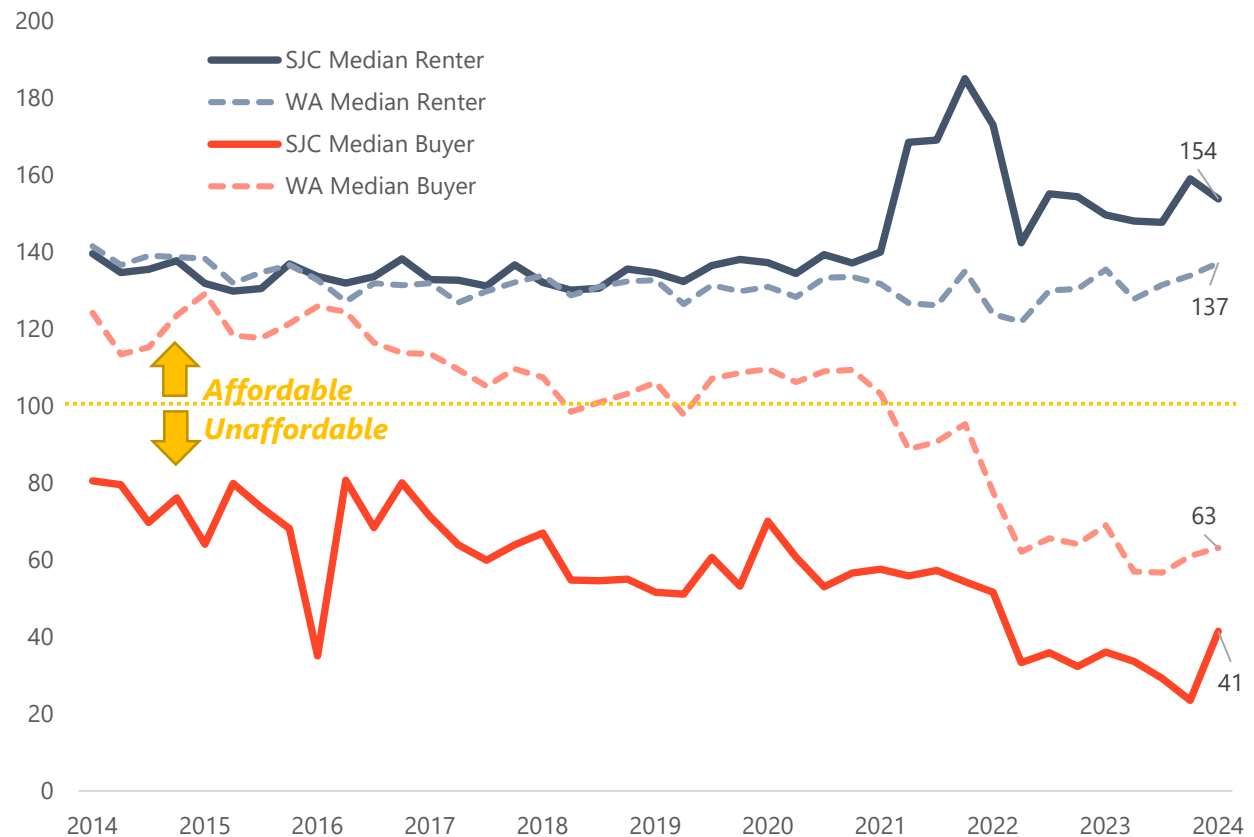
The HAI for San Juan County in the first quarter of 2024 for owners was 41, more than 20 points below the statewide average of 63. This indicates that purchasing housing in San Juan County is unaffordable. In fact, ownership housing in San Juan County is the least affordable in the State, and this has been the case continuously over the past decade.

Finding an affordable house can be particularly difficult for first time homebuyers as first-time homebuyers tend to have less capital to invest in a property and thus must pay higher interest rates and a higher monthly payment. The HAI for first time homebuyers in San Juan County in the first quarter of 2024 was 30, meaning it was extremely difficult to find an affordable house during this period. However, both the first-time homebuyer and overall ownership HAI have increased in 2024 from their lowest point to date at the end of 2023, as housing sales prices have mitigated noticeably in recent months.

For renters, the San Juan County affordability index was higher, at 154. Contrasting with ownership housing, this is above the statewide average of 137, and indicates that rental prices are not as unaffordable as homeownership in the County. However, this data does not reflect the insufficiently small amount of rental housing available to full-time residents, as discussed throughout this report, and may also be influenced by the difficulty of obtaining high quality data on rental prices.

Figure shows how the HAI in San Juan County and Washington State have changed over time. Despite the gap in affordability, this graph shows a strong correlation between the HAI in the County and statewide. It would seem that as affordability rises or falls in Washington as a whole, so goes San Juan County. Notably, the statewide ownership HAI indicated that homeownership was in reach for the median household in Washington in the years leading up to the pandemic, although only just so. This was not the case in San Juan County, when the affordability index has not exceeded 100 at any time in the past decade. However, since 2020, affordability has plummeted both in the County and statewide. By contrast, the relative affordability of renting has been considerably more consistent.

Figure 40.
Housing Affordability Indexes, 2014-2024



Source: Washington Center for Real Estate Research, Housing Affordability Indexes

KEY ISSUES:

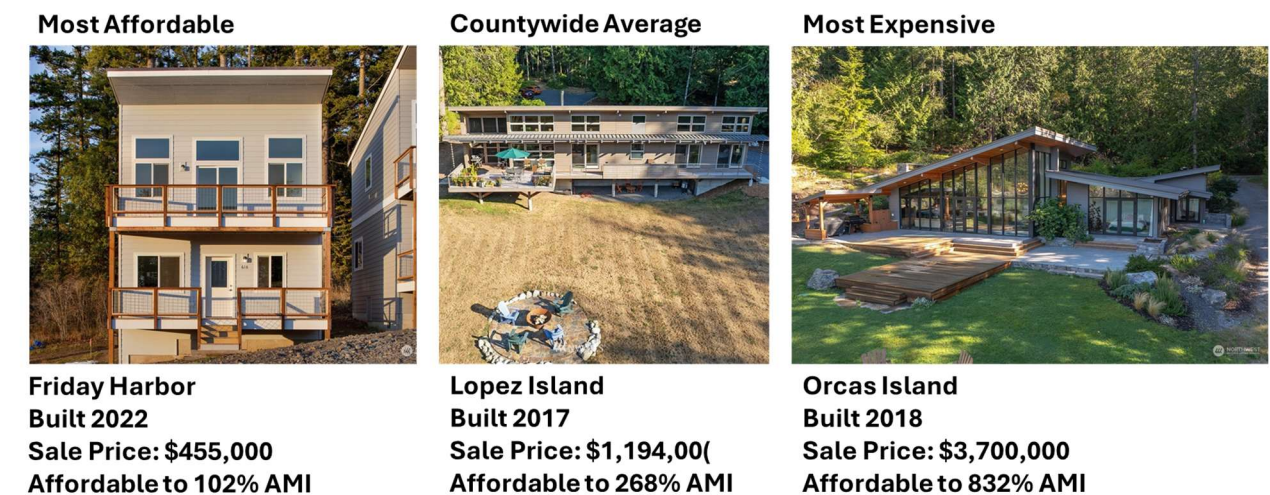
- San Juan County’s Housing Affordability Index was 20 points lower than the rest of the State in 2024. By this measure, the County is considered the least affordable in the state, and has been the least affordable County for over a decade.
- First time homebuyers are particularly disadvantaged in the County’s housing market due to the considerable personal capital needed in order to afford the necessary down payment for an average price home.
- The rental affordability index shows that the cost of renting a home in the County is not as challenging as purchasing a home. However, this metric does not account for the lack of rental units for full-time residents in the county overall.
- Despite being considerably less affordable than the rest of Washington State, fluctuations in the affordability index of San Juan County since 2008 show a correlation with the

State’s housing market as a whole, with steadily decreasing affordability over the past decade.

Housing Affordability by Type

As discussed above in section 5.4, the majority of housing in San Juan County are single-family detached units. This housing type, particularly new units, serve households earning considerably more than 100 percent of the Countywide AMI. According to Redfin sales price data, single-family units built in the County over the past decade (since 2014) have sold for an average price of \$1.2 million. Housing at this income level serves households earning 270 percent AMI. The range of prices for single-family units built and sold since 2014 extends from about \$500,000 to upwards of \$3 million. Even the lowest-priced units sold over the past decade would not be affordable to households earning 100 percent or even 120 percent of the Countywide AMI, with only a couple of exceptions, such as the small units in Friday Harbor shown below in Figure , which shows examples of the price range of single-family homes built and sold in the past 10 years.

Figure 41.
Examples of Single-Family Home Affordability Levels, 2014-2024



Source: Redfin

In addition to single-family units, there are also a limited number of condominiums or co-ops in San Juan County. These units are providing ownership housing at slightly more affordable levels than ownership housing. Across all condos and co-ops, regardless of age, the average sales price for units sold over the past five years was around \$450,000, which

could serve households earning 100 percent of the AMI. According to Redfin, only one condo project was built in the past 10 years, in Friday Harbor, with two units selling for around \$400,000.

Mobile or manufactured homes also provide a variety of levels of ownership housing affordability in the County, both in UGAs and rural areas. Of new mobile/manufactured homes built and sold in the past ten years, the average sales price was \$450,000, similar to the price of condos, and affordable to households earning about 100 percent AMI. However, the range of affordability of recently built mobile homes extends as low as 58 percent AMI (\$260,000) and up to 152 percent AMI (\$675,000). Therefore, this housing type represents the potential for middle-income ownership units both within and outside UGAs in the County. Figure shows examples of mobile and manufactured homes in the county at a variety of income levels.

Figure 42.
Examples of Mobile/Manufactured Home Affordability Levels, 2014-2024

Most Affordable



San Juan Island (outside UGA)
Built 2019
Sale Price: \$260,000
Affordable to 58% AMI

Countywide Average



Eastsound
Built 2019
Sale Price: \$366,600
Affordable to 82% AMI

Most Expensive



Lopez Island
Built 2017
Sale Price: \$675,000
Affordable to 152% AMI

Source: Redfin

KEY ISSUES:

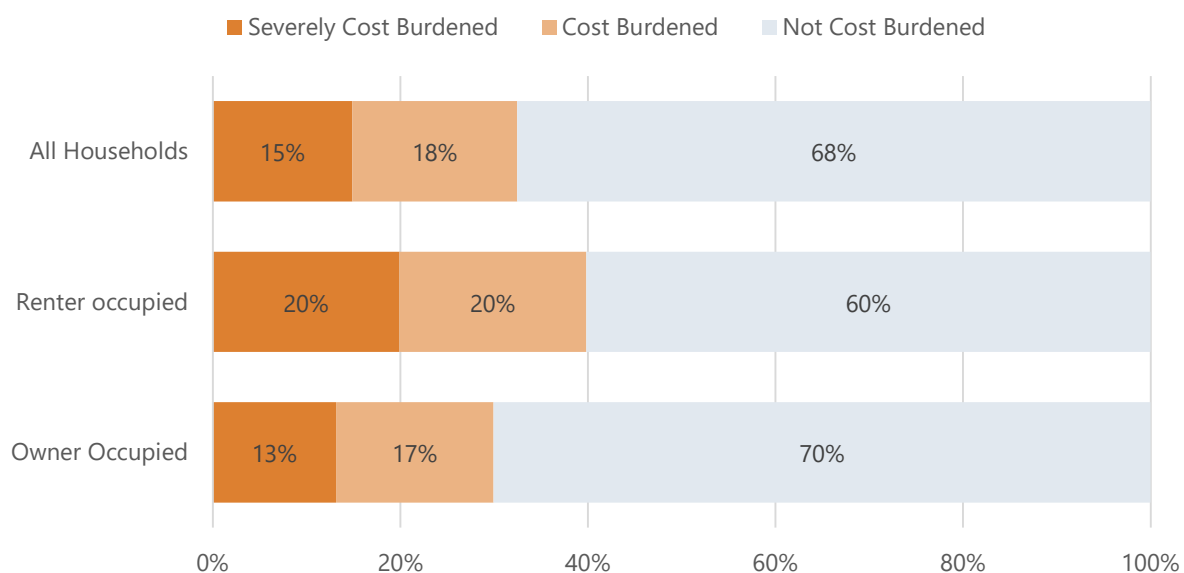
- Single-family homes in the County are unaffordable to households earning the Area Median Income. Average single-family home prices for new homes built in the past decade would be affordable to households earning 270 percent of the AMI.

- Condo, co-op, and manufactured/mobile home units built in the past decade are selling at prices closer to affordability for households earning the County AMI.
- Manufactured and mobile homes, both inside and outside UGAs, represent a wider range of potential affordability for ownership housing, with recently built units ranging as low as 58 percent AMI.

Housing Cost Burden

To address the affordability of the population’s current residents, particularly renters, HUD uses a measurement called “Cost Burden.” A household is considered “cost-burdened” if they pay more than 30 percent of their income in housing costs, including rent or mortgage plus utilities. A household is considered “severely cost-burdened” if they spend more than 50 percent of their income in housing costs. The chart below in [Figure](#) shows the number of households in the County that are facing housing cost burden broken down by tenure. Overall, there were 2,687 cost-burdened households in the County as of 2020, the latest available HUD data, and 1,231 of these households were severely cost-burdened. This equates to about a third of San Juan County households paying more than 30 percent of their income on housing costs. The rates of cost burden are about 10 percent higher for renters than for homeowners in the county, as shown below.

Figure 43.
Cost-Burdened Households by Tenure in San Juan County, 2020



Source: 2020 HUD Comprehensive Housing Affordability Strategy (CHAS) Data

Figure shows cost burden in the County broken down by household income, as a percentage of the AMI, for households earning under 100 percent AMI. Overall, San Juan County's lowest-income households are facing the most severe levels of cost-burden, with 549 extremely low-income households spending more than half their income on housing costs. Over half of households earning 30-50 percent AMI are also cost-burdened, and nearly half of households in the 50-80 percent AMI bracket. About a third of households earning closer to the median income, in the 80-100 percent AMI range, are also facing challenges paying for the cost of housing in the County.

Figure 44.
Cost-Burdened Households by Income in San Juan County, 2020

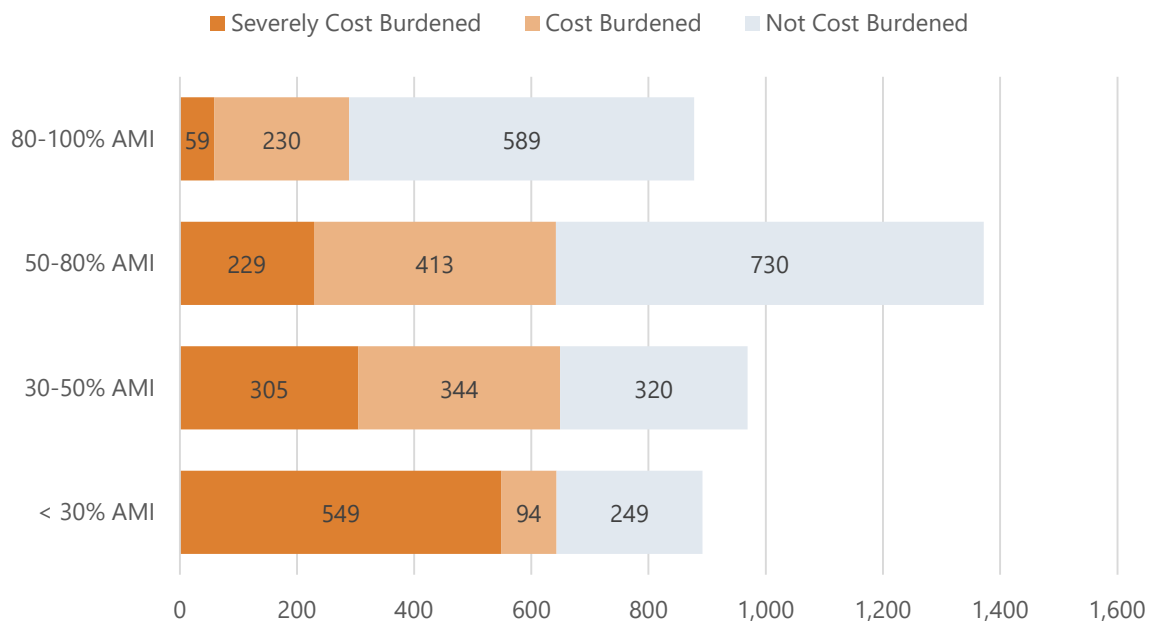
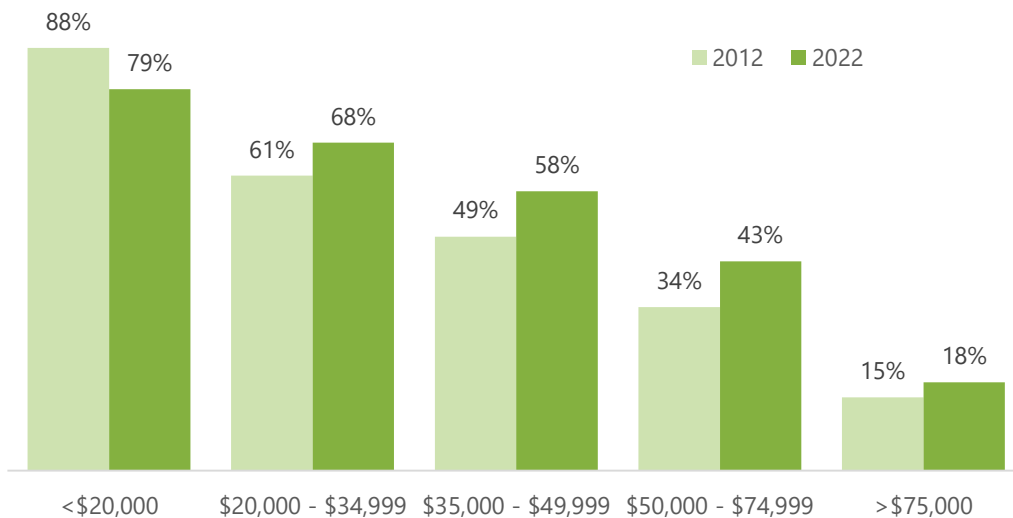


Figure displays how the number of cost-burdened owner and renter households have changed between 2012 and 2022, using Median Household Income brackets from the ACS. Since 2012, nearly all population demographics of household income have seen increases in the number of households with monthly housing expenses considered unaffordable. Interestingly, lower-income households earning under \$20,000 per year are facing slightly lower shares of housing cost burden than a decade ago, but the majority of households in that lower-income bracket are paying more than 30 percent of their income on housing

costs. Overall, this indicates it is becoming much more common for middle and moderate-income households to experience cost-burdened housing over time.

Figure 45.
Share of Occupied Housing Units Paying >30 Percent of Household Income to Monthly Housing Costs.



Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates, Table S2503

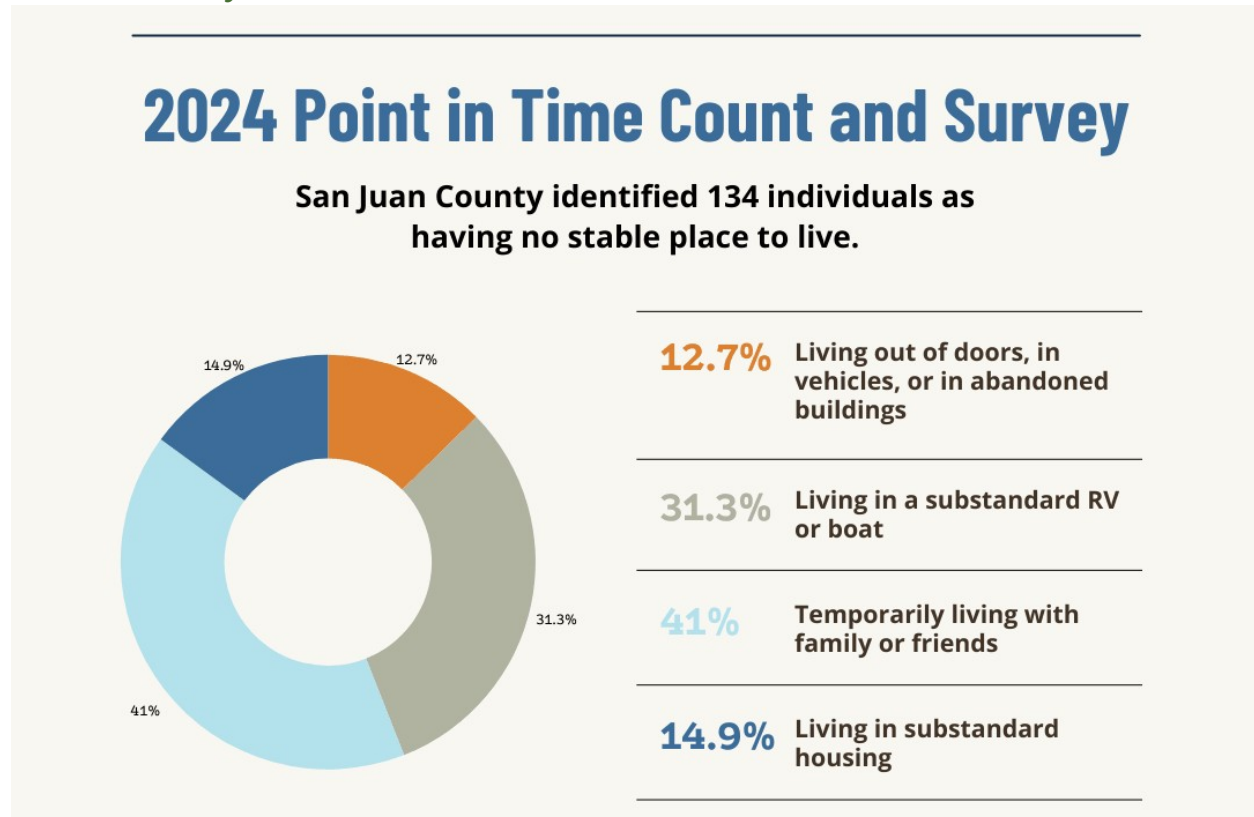
KEY ISSUES:

- There were 2,687 cost-burdened households in San Juan County in 2020 spending more than 30 percent of their income on housing costs. Of these, 1,231 were paying more than half of their income towards housing costs.
- Thirty percent of homeowners and forty percent of renters are cost-burdened in San Juan County.
- The lowest-income households in the County face very high rates of cost-burden upwards of 60 percent, but moderate-income households are also facing significant challenges paying for housing costs.
- From 2012 to 2022, the percentage of cost-burdened households increased in nearly every income bracket in San Juan County.

Homelessness

The Washington Homeless Housing and Assistance Act requires that each County in Washington State conduct an annual point-in-time (PIT) count of sheltered and unsheltered homeless persons. This census is conducted in accordance with the requirements of the U.S. Department of Housing and Urban Development (HUD). Figure shows the totals of the 2024 Point-in-Time County for the County. 134 individuals did not have a stable place to live, and of those, 17 were experiencing unsheltered homelessness.

Figure 46.
San Juan County 2024 Point in Time Homeless Count Results.



Source: SJC Health & Community Service PIT Data

KEY ISSUES:

- The 2025 Point in Time Count recorded 69 unhoused individuals living in the County, and another 55 who were at risk of being unhoused.

- Among 2025 respondents to the count, the most common living situations were those living temporarily with family or friends, and those living in substandard structures.
- From 2020 to 2025, the annual count averaged 136 respondents to surveys who were either unhoused or considered at-risk of being unhoused.

San Juan County Affordable Housing Programs

San Juan County Health & Community Services Department administers affordable housing programs in the County. These programs are funded primarily through document recording fees (see RCW 36.22.179), a Real Estate Excise Tax (see RCW 82.46.075), a 1/10th of 1 percent sales tax (see RCW 82.14.530), as well as State and Federal grants. Currently San Juan County is one of two counties in Washington without a Housing Authority. Some of the programs administered by the County are:

1. **Senior and Disabled Rental Subsidy Program**

Begun in 2009, this program provides rental assistance to extremely low-income seniors and people with disabilities below 30 percent of the area median income. Funded by RCW 36.22.179 document recording fees.

2. **Emergency Rental Assistance Program**

Also begun in 2009, this program helps low-income people who are in immediate need of rental assistance to avoid eviction or to facilitate a move to new housing. The program is administered by the Family Resource Centers on Lopez, Orcas and San Juan Islands. Funding for this program has come from a variety of sources including the United Way, FEMA, the Opportunity Council, private donations and RCW 36.22.179 document recording fees.

3. **Very Low-Income Housing Fund Awards**

Begun in 2005, this program provides funding to local nonprofits and developers, as either grants or loans, for construction, operation or maintenance of projects that serve families or individuals earning less than 50 percent of the area median income. This program is funded by RCW 36.22.178 document recording fees.

4. **Equity Loan Program for First Time Homebuyers**

Funds for establishing this revolving loan fund were from two grants to San Juan County

from the Housing Trust Fund in 1997 and 2001. The program provides soft second mortgages to fill the gap between what low income San Juan County residents can afford and what modest housing actually costs in the County. Since the fund's inception, the County has been able to provide down payment assistance to 61 families in the County making 80 percent of the area median income or less.

5. Home Fund

San Juan County's Home Fund is a capital fund administered by Health & Community Services to develop, produce, and preserve affordable housing in San Juan County. This program expands opportunities for local affordable housing projects to bring additional State, Federal and private funding from outside our county into our community to build more affordable housing. Since its inception in 2019, the fund has developed or preserved 125 housing units in the County with another 71 units currently in development.

The program is funded through two County funding sources:

6. Real Estate Excise Tax (REET)

A one-half of one percent (0.5%) real estate excise tax (REET) is the primary funding source for the Home Fund and is used for the development and preservation of affordable housing as allowed by RCW 82.46.075. This REET was adopted by a majority of voters on November 6, 2018. The proceeds are used exclusively for the development of affordable housing including acquisition, building, rehabilitation and maintenance of housing for those that need it.

7. 1/10th of 1% Sales Tax for Affordable Housing

Authorized by RCW 82.14.530, this additional funding source was adopted by San Juan County in 2024. In addition to its use for the development and preservation of affordable housing, up to 40% of these funds may be used to provide housing related services such as housing case management.

8. County Lands for Affordable Housing

In 2018, San Juan County began reviewing County owned properties for possible development of affordable housing. In that year, the County completed a request for proposal process for a parcel of land in Lopez Village to be developed by a local non-profit affordable housing developer. This property was eventually developed by the non-profit, Housing Lopez, and now is home to 6 permanently affordable rental homes.

San Juan County also completed an RFP for a separate County owned property on Lopez Island in 2021. While this property did not end up being developed for affordable housing, the property immediately adjacent was developed with a Residential Rural Cluster of permanently affordable homeownership houses.

The County has also been working since 2021 to develop affordable housing on a piece of County owned lands at the corner of Argyle Avenue and Malcolm Street in the Town of Friday Harbor. An RFQ process was completed in 2023, and the County officially leased that property to the San Juan Community Home Trust in 2024 for the development of affordable housing.

9. SAFE San Juans Rapid Re-Housing Program

H&CS began partnering with SAFE San Juans in 2022 to implement a rapid re-housing program for households fleeing domestic violence. Funded through State grants, this program provides funds to SAFE San Juans to quickly provide short term housing for victims of domestic violence.

In March 2016, the County Council authorized the creation of a workgroup to develop an Affordable Housing Strategic Action Plan. The goal was to develop four to six prioritized actions to address housing issues. This workgroup consisted of County and Town of Friday Harbor staff, local business owners, school board members, and non-profit directors. Through their discussions, the workgroup identified six specific housing needs:

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

To address these needs, the workgroup identified 16 distinct actions aimed at increasing or maintaining the availability and affordability of housing stock in San Juan County and prioritized these five specific actions:

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).

Housing Groups and Non-Profits

There are a number of different groups and nonprofits working in the County to provide affordable housing. The Lopez Community Land Trust, Housing Lopez, OPAL Community Land Trust, and the San Juan Community Home Trust are all housing nonprofit groups in the County.

The homes built by the three Community Land/Home Trusts aim to be permanently affordable, with resale restrictions in place to ensure that these homes remain affordable to the same income group over time and construction subsidies that benefit multiple families rather than solely the first owner. Housing Lopez is a new non-profit formed in 2018 with a mission to provide affordable rental housing on Lopez Island. They have completed two rental housing developments with long term affordability restrictions.

Additionally, the Opportunity Council is a private, nonprofit community action agency operating out of Bellingham that serves San Juan County in a variety of different ways including Tenant Based Rental Assistance and weatherization programs. The Family Resource Centers on each island play a pivotal role in connecting low-income County residents with housing and many other poverty alleviation programs.

Affordable Apartments

As of 2025, there are 145 “affordable apartments” not developed by non-profit agencies, representing about two percent of the full-time occupied housing stock in San Juan County. These apartments were largely constructed using United States Department of Agriculture

(USDA) low interest loans and subsidized with Low Income Housing Tax Credits. However, the number of apartments in the County with income restrictions is declining and there have been no new Low Income Housing Tax Credit financed projects in the County in nearly 25 years nor is USDA currently financing any new developments.

In addition to these units, there are another 83 long-term affordable rental units recently developed by non-profit developers in the County. Another roughly 60 units are currently in development.

In the past, new multi-unit developments were constructed in the County using USDA loans with affordable unit restrictions to finance projects. The program works with private-sector lenders to provide financing to increase the supply of affordable rental housing for low- and moderate-income individuals and families in eligible rural areas and towns.

Once the USDA loan is repaid, these developments can then raise the rent of all of their units to market rate, effectively eliminating their units from the affordable housing stock. As well, if a development is foreclosed and sold at auction, the USDA affordability requirements are extinguished. Two such complexes in the County have already returned to market rate, with more scheduled to lose their affordability requirements over the planning horizon.

At the same time, there have been no new USDA developments to take the place of those returning to market rate rents. In part, this is due to changes in the federal tax credit program and the economy of scale required to make affordable apartment complexes feasible.

Subsidies and Incentives

Using the Department of Commerce's recommended methodology is on pp.61-62 of Book 2, the following breaks down the calculation for determining the number of units that would require subsidy and/or incentives to be affordable.

As identified in Figure 5, Total San Juan County (Excluding Friday Harbor) Housing Needs and Capacity, 2020-2045, of Appendix 5 – HNA, after taking into consideration pending housing unit, the County has a housing need of **771 units** affordable to the 0-80% AMI income band. Given the generally high cost of living in the County, it is assumed that all of these units will require subsidies and/or incentives to be built.

Additionally, given these factors and the high cost of construction in the County, a significant portion of new housing needed for the 80-115% AMI income band will also require subsidies and/or incentives to be built.

As these 771 units will be needed between 2020 and 2045, a period of 25 years, this would require the County to produce approximately **30.84 units on an annual basis** to meet this need.

Per comparison of the 2017 and 2025 version of Table 5-20, San Juan County Low-Income Housing Inventory, of Appendix 5 – HNA, approximately 117 low-income housing units were built since 2017, which is a **rate of approximately 14.62 units per year**. Of those units built during this time frame, 87% required a construction subsidy from either San Juan County or another public funder. Assuming this same rate through 2045, this would result in an annual 16.22 affordable housing unit gap with **14.11** of those units requiring subsidy to be built.

Using the assumed unit cost of \$418,433 for San Juan County¹⁵, there is approximately an annual **\$5,899,905.30 gap in funding to accommodate these 14.11 units per year**.

In order to help address this identified funding gap, Appendix A of the Homeless Plan identifies 13 funding sources, 10 of which the County is currently receiving funding from. Additionally, the table below identifies the implementation status of several local funding tools in the County available to address affordable housing gaps.

Table 4.
Checklist for local option tools for addressing affordable housing funding gaps

Local option tools for addressing affordable housing funding gaps*	Implementation status	Plans for implementation
REET 2 (RCW 82.46.035) – GMA jurisdictions only and only available through 2025	Implemented	
Affordable Housing Sales Tax Credit (RCW 82.14.540) – was only available to jurisdictions through July 2020	Implemented	

¹⁵ Average cost per unit for new construction Low Income Housing Tax Credit (LIHTC) project completed between 2015-2022 in San Juan County, Department of Commerce *Guidance for Updating Your Housing Element (Book 2)*

Lodging Tax (RCW 67.28.150 and RCW 67.28.160) to repay general obligation bonds or revenue bonds	Not implemented	No current plans for implementation
Mental Illness and Drug Dependency Tax (RCW 82.14.460) – jurisdictions with a population over 30,000	Implemented	
Donating surplus public lands for affordable housing projects (RCW 39.33.015)	Implemented	
Impact fee waivers for affordable housing projects (RCW 82.02.060)	N/A	
Application fee waivers or other benefits for affordable housing projects (RCW 36.70A.540)	Implemented	
Multifamily Tax Exemption (MFTE) with affordable housing requirement (RCW 84.14)	N/A	
General funds (including levy lid lifts to increase funds available)	Not implemented	No current plans for implementation

* Some tools may be unavailable for certain jurisdictions. For example, only GMA jurisdictions can use REET 2, or the surrounding county may have already implemented the housing and related services sales tax. See MRSC’s summary of Affordable Housing Funding Sources for more details and the Association of Washington Cities (AWC)/MRSC booklet on Homelessness & housing toolkit for cities (2022)

Seasonal Population

An estimate of the peak-season population (residents plus visitors) is included with the population forecast in Appendix 1 of the Comprehensive Plan. The visitor population estimates in Table 5 include both tourists and part-time residents that would not be counted in other demographic measurement methods like the U.S. Census. The estimated daily populations in Table 5 are an estimate of how many people may be in the County on a given day during the peak season. These estimates were derived from analysis of ferry ridership numbers, visitor accommodation capacity, and the County’s 2018 *San Juan Islands Visitor’s Study*.

Table 5
Peak Daily Population, Actual and Expected.

2016 Resident Population	2016 Est. Daily Visitor Population	2016 Estimated Peak Daily Population	2036 forecasted Resident Population	2036 Estimated Peak Daily Population (low)	2036 Estimated Daily Visitor Population (low)	2036 Estimated Peak Daily Population (high)	2036 Estimated Daily Visitor Population (high)
16,314	8,496	24,810	19,423	27,810	8,387	29,810	10,387

Source: Comprehensive Plan Appendix 1, Population Forecast

The peak population influences the supply and demand for housing in the County. Visitors to the County create demand for visitor accommodations. Increased demand for visitor accommodation drives the market to respond in two ways. The market responds with higher prices for the quantity of visitor accommodations supplied. Increased demand and the accompanying higher prices will also incentivize an increase in the supply of visitor accommodations. The increase in supply of visitor accommodations has largely been answered through an increase in the number of short-term rental of residences (vacation rental) because other types of accommodations (hotels, campgrounds, resorts etc.) are more limited by County regulations. The dual pressure of increased demand for visitor accommodations and limited supply of visitor accommodations that are not residential units creates additional competition in the market between visitors, prospective buyers, and long-term renters.

San Juan County Low-Income Housing Inventory

Table 6
San Juan County Low-Income¹ Housing Inventory, 2025.

ISLAND	AGENCY OR OWNER	DEVELOPMENT	SINGLE FAMILY HOMES	LOW INCOME RENTAL APTS W/O SUBSIDY	LOW INCOME RENTAL APTS W/ SUBSIDY	TOTAL EXISTING OR UNDER DEVELOPMENT	SINGLE FAMILY HOMES PLANNED	RENTAL HOMES PLANNED	LAND BANKED FOR RENTAL/OWNERSHIP	TOTAL PLANNED OR PROPOSED	
SAN JUAN	San Juan Community Home Trust	Argyle						40		40	
		Holliwalk	8			8					
		Salal	15			15					
		Sun Rise	14			14			94	94	
		Sun Rise II	12			12					
	Homes For Islanders	County Village Estates	31			31					
		Harbor Grove	12			12					
		Heritage Court	9			9					
		Leeward Cove	8			8					
		Maypole Meadows	20			20					
		Park Plaza	9			9					
		Rocky Bay	8			8					
	Opportunity Council	Harborview		14	6	20					
	Ad-West Property Mgt	Islewood ⁷		9	9	18					
		Rosewood ⁸			18	18					
Diamond Mgt	Gerard Park ⁹		4	16	20						
	Surina Meadows ¹⁰		2	18	20						
ORCAS	OPAL Comm. Land Trust	April's Grove		4	41	45					
		Bonnie Brae	24			24					
		Cottages at Pea Patch						20			20
		Crosswind						8			8
		Kidder Way	11			11					
		Lahari Ridge	6			6					
		Lavender Hollow			22	22					
		Lydia Ln	3				5				5

		Mt. Baker		7						
		North Beach						120	120	
		Northern Heights			12	12				
		Oberon Meadow	4			4				
		Oberon Wood	5			5				
		Opal Commons	18			18				
		Orcas Village						12	12	
		Reddick		0	7	7				
		Scattered Sites	16			16				
		Wild Rose Meadow	32			32				
	Homes For Islanders	North Beach Gardens	6			6				
		Woodland Estates	8			8				
	Ad-West Property Mgt	Orcas Longhouse ¹¹			16	16				
LOPEZ	Lopez Community Land Trust	Coho	7			7				
		Common Field Apartments		2		2				
		Common Ground	11			11				
		Crayfish Way	6			6				
		Forest House	1			1				
		Innisfree	8			8				
		LCLT						33	33	
		Morgantown	7			7				
		Pear Tree Apartments	2			2				
		Portobello	1			1				
		Salish Way	10			10				
		Stonecrest	2			2				
		Tierra Verde	4			4				
		Westpark	1							
	Housing Lopez		Fishbay Cottages		6		6			
			Lopez Village North Phase 1		15		15			
			Lopez Village North Phase 2-3						30	33
Diamond Mgt		Westview Apts ¹²			18	18				

TOTAL			339	63	183	573	5	68	289	365
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Table 7
Other Affordable Options - No Income Restrictions.

ISLAND	AGENCY OR OWNER	DEVELOPMENT	SINGLE FAMILY HOMES	MANUF. HOMES	MOBILE HOMES	RV HOOK UPS	LOW INCOMERENTAL APTS W/O SUBSIDY	LOW INCOME RENTAL APTS W SUBSIDY	SINGLE FAMILY HOMES UNDER DEVELOPMENT	TOTAL EXISTING OR UNDER DEVELOPMENT
SAN JUAN	The Oaks	The Oaks		78						78
	Harbor Ridge	Harbor Ridge Mobile Home Park			63	12				75
TOTAL			0	78	63	12	0	0	0	153

Notes for Table 7:

- Qualifying residents must have incomes at or below 80 percent of Area Median Income (AMI).
80 percent of AMI - 2017:
 1-Person Household \$37,900
 2-Person Household \$43,300
 3-Person Household \$48,700
 4-Person Household \$54,100
 5-Person Household \$58,450
 6-Person Household \$62,800
- Community Land Trust - Permanently Affordable nonprofit w/ resale restrictions for home ownership.
- Homes For Islanders - Sweat Equity nonprofit, with or without resale restrictions for homeownership.
- Friday Harbor Village - Property sold at public auction in 2015, extinguishing affordability requirements. Units go to market rate when vacated or in 2018, whichever is sooner.
- Harborview - Affordability requirements set to expire in 2034. Eligible to expire in 2004 if USDA loan paid off.
- Island Meadows - USDA loan repaid in 2012. Six long-term tenants paying income-based rent through USDA voucher program; as they vacate, units will go to market rate.
- Islewood - Affordability requirements set to expire in 2039.
- Rosewood - Affordability requirements set to expire in 2030.
- Gerard Park - Senior & Disabled only. Affordability requirements set to expire 2044.
- Surina Meadows - Affordability Requirements set to expire 2042.
- Orcas Longhouse - nonprofit Senior & Disabled apartments. Affordability Requirements set to expire 2035.
- Westview Apartments - Affordability Requirements set to expire 2040.

RACIALLY DISPARATE IMPACTS ANALYSIS

Introduction

In 2021, the Washington State Legislature passed House Bill 1220 (HB 1220) as an amendment to the state Growth Management Act (GMA). HB 1220 requires that local governments plan for housing at all income levels and assess the racially disparate impacts (RDI) of existing housing policies. Conditions that indicate that policies have racially disparate impacts can include segregation, cost burden, displacement, educational opportunities, and health disparities.

According to state guidance, there are five steps to understanding and addressing racially disparate impacts:

- Step 1: Engage the Community
- Step 2: Gather & Analyze Data
- Step 3: Evaluate Policies
- Step 4: Revise Policies
- Step 5: Review & Update Regulations

This report accounts for both Step 2 and Step 3 – it includes a summary of findings based on data from the US Census Bureau, US Department of Housing and Urban Development (HUD), and other sources. These findings then inform the policy evaluations and recommendations found at the end of the report.

This report frequently makes use of the acronym “AMI,” or “Area Median Income.” The U.S. Department of Housing and Urban Development (HUD) determines a countywide Area Median Income for each county in the country. The HUD AMI is generally higher than the Census-reported Median Household Income since AMI is based on the Census-reported Median Family Income which excludes non-family households (one-person households and multi-person households of unrelated individuals). County housing unit baselines and targets are broken down by what “income band” those units can serve, expressed as a percentage of the county’s AMI. “Extremely Low Income” households earn 30% AMI or less, “Very Low Income” households earn 30-50% AMI, and “Low Income” households earn 50-80% AMI. These figures are the cap rent that households at each income level would pay in subsidized housing at the

respective income level, based on household size. This metric is used to determine eligibility for subsidized affordable housing funds.

This report also uses the HUD term “cost-burdened” to refer to households paying more than 30 percent of their income on housing costs, including rent or mortgage and utilities. Severely cost-burdened households are paying more than 50 percent of their income on housing costs.

Note that the Census defines household race as the race of the householder, as self-identified on the Census form.

Key Findings

While San Juan County’s racial diversity slightly increased from 2015-2020, the county was 88 percent White, which is still significantly **less diverse than Washington state overall**, which was 67 percent White in 2020.

Based on 2015-2019 data, **homeowners generally face a lower housing cost burden than renters**, with Asian homeowners experiencing the greatest difference in cost burden, while Black and Hispanic homeowners face significant cost burdens in either tenure type. White households show similar cost burden levels between renting or owning, reflecting more housing stability across tenure types.

Households of color are more likely to be cost-burdened than White households in San Juan County: Forty-one percent of households of color are cost-burdened (18 percent severely), and 31 percent of White households are cost-burdened (14 percent severely). Hispanic/Latino and Asian households are most likely to be cost-burdened.

While data for some local racial groups may be unreliable given their small sample size, **home ownership is most common among American Indian and White households in San Juan County** (86 percent and 77 percent of their total respective households). A majority of Black and Asian households own their homes: 56 percent and 55 percent, respectively. Only 37 percent of Hispanic/Latino households own instead of rent in San Juan County.

About half of San Juan County’s households earn above the median income. Each income band below the median (i.e., Extremely Low-Income, Very Low-Income, Low-

Income, and Moderate Income) contains anywhere from 10 to 16 percent of the total population.

Analyzing **income by racial group** reveals that 57 percent of Asian households and 50 percent of White households make above the median income – the highest share among all groups. Only 20 percent of Hispanic/Latino households earn above the median income and have double the rate of households in the Extremely Low-Income category (<30 percent of AMI).

HISTORICAL CONTEXT

Throughout the history of the United States, a combination of laws and practices have impacted where specific groups of people live, what opportunities they have access to, and their ability to build wealth through stable housing.

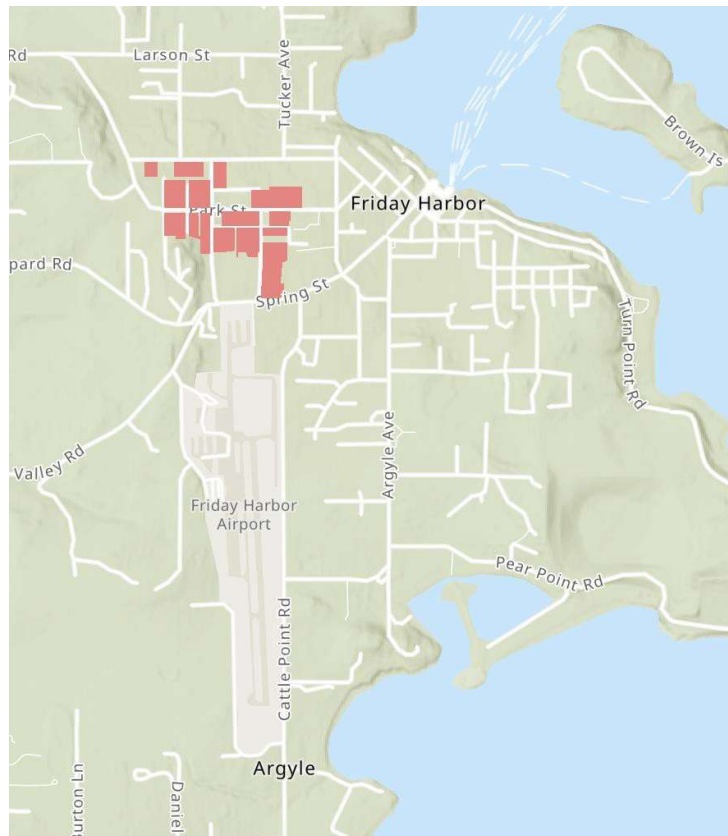
Unfortunately, many of these policies explicitly or implicitly benefited White residents at the expense of all others. The legacy of policies like redlining, which used racial criteria in determining which neighborhoods were suitable for government-backed loans, highway development through predominantly Black neighborhoods, and racial covenants explicitly excluding certain groups from owning specific properties continues to impact non-White communities today.

While many jurisdictions have acknowledged the harms of these policies, many of which are no longer legal, there are still policies in effect today that hold jurisdictions back from rectifying systemic harms. These can include policies that reference vague concepts like “neighborhood character,” as well as those that permit only the most expensive homes to be built, thus shutting lower-income residents out of high-opportunity areas.

This section contains a historic review of some of the known policies and programs that caused racially disparate impacts in San Juan County as a starting point in understanding present-day conditions.

Throughout the United States, including in San Juan County, racial covenants were used to exclude certain races and religious groups from residing in specific neighborhoods, creating exclusive areas for White, Christian residents. The map in Figure 1 below shows 101 parcels in San Juan County—particularly Friday Harbor—that had racial covenants or deed restrictions (in red). These were legally enforceable from 1927 to 1968.

Figure 1. Racially Restricted Parcels in San Juan County



Source: Washington State Racial Restrictive Covenants Project.

The combination of racially restrictive covenants and redlining also impacted the ability of Black veterans to fully access homeownership loan benefits through the Servicemen’s Readjustment Act of 1944 (GI Bill), which enabled White veterans to buy housing and build wealth in the suburbs. Racial covenants have since been declared unconstitutional, and Fair Housing laws have been put into effect. San Juan County has gone from nearly 100 percent White in 1960 to about 88 percent White in 2020. While diversity has slightly increased, San Juan County is still significantly less diverse than Washington state overall, which is 67 percent White.

Assessing Racially Disparate Impacts

Racial/Ethnic Diversity and Demographic Shifts

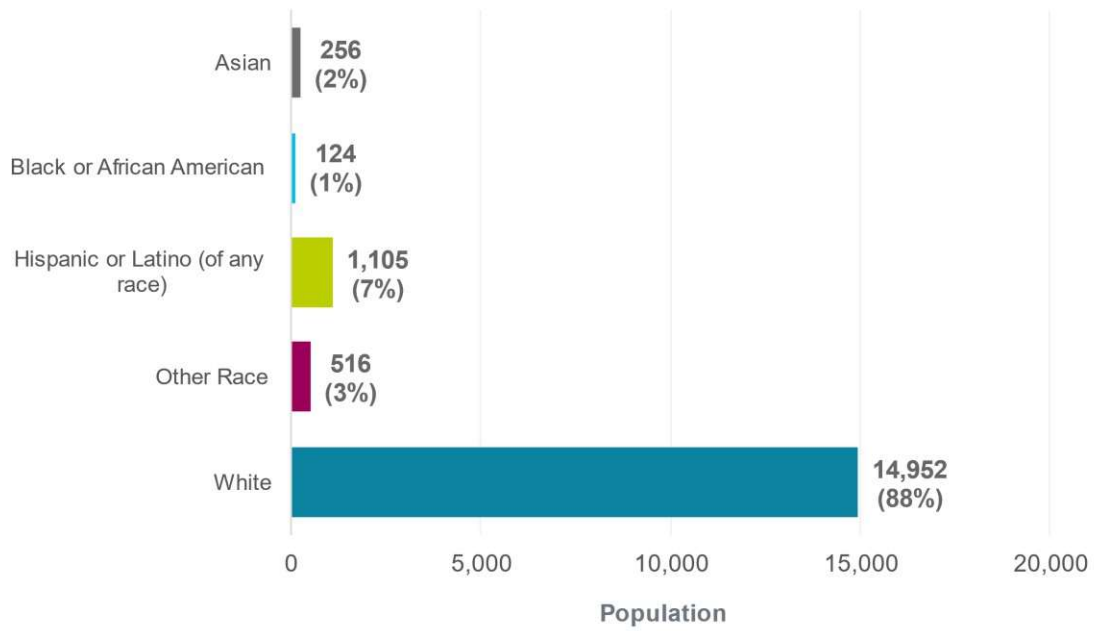
Between 2015 and 2020, San Juan County became slightly more diverse, as the share of population of residents of color—particularly Hispanic and biracial groups—slightly increased in comparison to that of White residents, as shown below in Figure 2. The population went from 89 percent White to 88 percent White over the course of five years. For comparison, in the same period, Friday Harbor, while slightly more diverse to begin with, saw the same percentage change: 82 percent to 81 percent between 2015 and 2020.

Figure 1. Change in Population by Race/Ethnicity, San Juan County

	Estimated Population		Percent Share of Population		Change in Percent Share 2015-2020
	2015	2020	2015	2020	
White	14,245	14,952	89%	88%	-1.1%
Black or African American	86	124	1%	1%	0.2%
American Indian and Alaska Native	112	135	1%	1%	0.1%
Asian	228	256	1%	2%	0.1%
Native Hawaiian and Other Pacific Islander	23	8	0%	0%	-0.1%
Other Race	47	7	0%	0%	-0.3%
Two or more races	282	366	2%	2%	0.4%
Hispanic or Latino (of any race)	933	1,105	6%	7%	0.7%
Total	15,956	16,953	100%	100%	

Source: US Census Bureau, 2011-2015 and 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023

Figure 2. Population by Race/Ethnicity in San Juan County (2020)



Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023

Income and Tenure

In San Juan County, data is limited for racial groups other than White—particularly Pacific Islander—due to their lower representation locally. As shown in Figure 4, racial groups in which most households make above the median income include Asian (57 percent), American Indian or Alaska Native (54 percent), and White (50 percent); however, the data may be erroneous for American Indian, Asian, Black, and Pacific Islander groups since the sample sizes are low. On the other hand, 66 percent of Hispanic households and 43 percent of Asian households are considered low income, which are the groups with the highest rates in this category. All 4 Pacific Islander households are listed as Extremely Low- Income, although the sample size is error prone.

Figure 3. San Juan County Count of Households by Income and Race, 2020

Income Category (% of AMI)	American Indian or Alaska Native	Asian	Black or African American	Hispanic or Latino (of any race)	Pacific Islander	White	Not Reported*	All
Number								
Extremely Low-Income (≤30%)	4	8	-	85	4	960	19	1,080
Very Low-Income (30-50%)	8	14	10	74	-	860	9	975
Low-Income (50-80%)	10	8	14	85	-	1,240	18	1,375
Moderate Income (80-100%)	4	-	20	50	-	790	6	870
Above Median Income (>100%)	30	39	25	75	-	3,920	76	4,165
Total for published estimates	56	69	69	369	4	7,770	128	8,460
Percentage								
Extremely Low-Income (≤30%)	0%	1%	0%	8%	0%	89%	2%	
Very Low-Income (30-50%)	1%	1%	1%	8%	0%	88%	1%	
Low-Income (50-80%)	1%	1%	1%	6%	0%	90%	1%	
Moderate Income (80-100%)	0%	0%	2%	6%	0%	91%	1%	
Above Median Income (>100%)	1%	1%	1%	2%	0%	94%	2%	

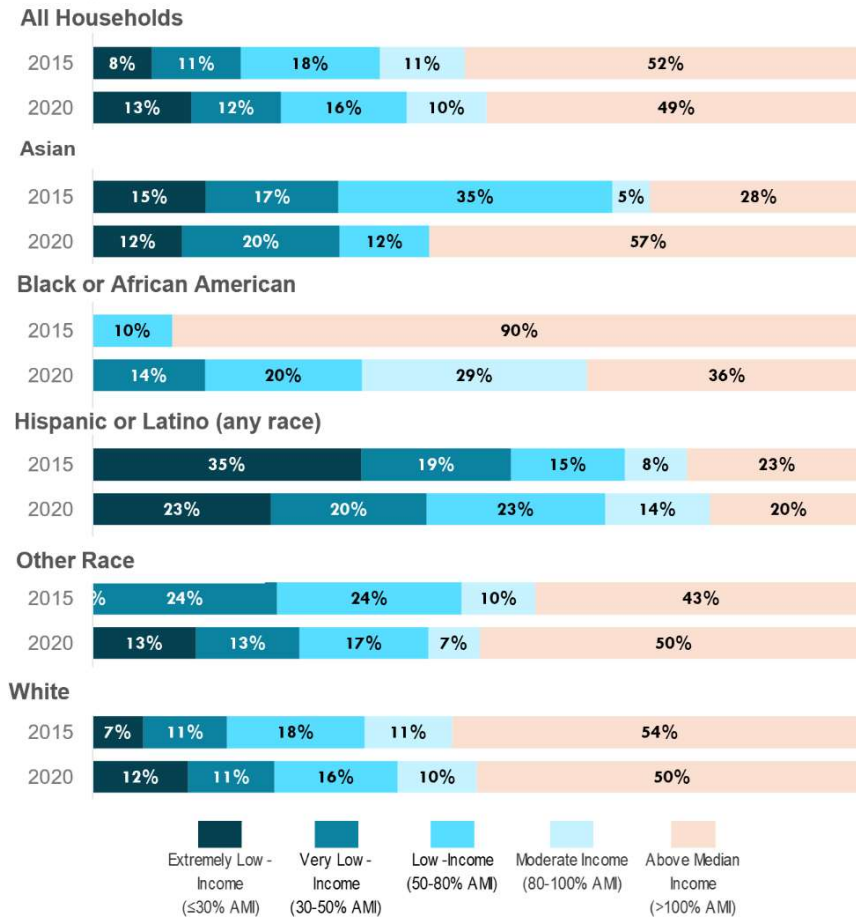
Source: US HUD, 2016-2020 Comprehensive Housing Affordability Strategy (CHAS) (Table 1); US HUD, 2016-2020 Comprehensive Housing Affordability Strategy (CHAS) (Table 8)

* The category "Other (including multiple races, non-Hispanic)" is suppressed in source data (CHAS 2016-2020 Table 1)

Figure 5 below shows the share of households at various income categories between 2015 and 2020 by racial group. Of note is the increase in households within the Extremely and Very Low Income categories, which increased by five and one percentage points, respectively, while the three higher income bands each decreased by one to three percentage points. This shift is likely reflective of the large increase in

median household income in recent years, and the relative income stagnation of groups at the lower end of the income spectrum. Black or African American households experienced the most dramatic shift in this regard, though the relatively small number of Black or African American households may also be impacting these drastic changes in the data. Similarly, limited household data may explain the trend for Asian households, where the number of households earning above 100 percent AMI doubled between 2015 and 2020. More robust data paints a clearer picture of White and Hispanic households, who each experienced a decline in higher income percentages and an increase in lower incomes.

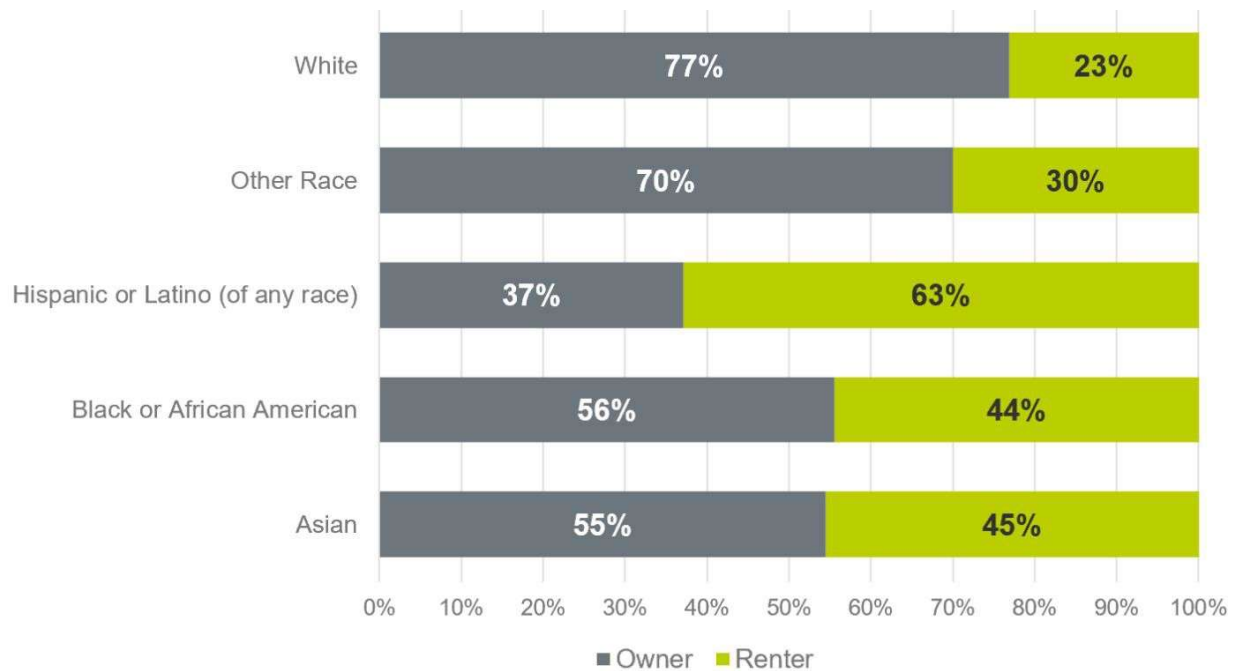
Figure 4. San Juan County Percentage of All Households by Income Category and Race (2010-2014 vs. 2015-2019)



Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 1).

Figure 5 below demonstrates that White households are most likely to be owners (77 percent), while Hispanic households are least likely to be owners (37 percent), a forty-point differential. Black and Asian households are both split roughly 55/45 owners to renters.

Figure 5. San Juan County Owner and Renter Households by Race & Ethnicity (2020)



Source: US HUD, 2016-2020 Comprehensive Housing Affordability Strategy (CHAS) (Table 9)

HOUSING COST BURDEN

San Juan County is a relatively high-income community with moderate housing costs. The county includes 6,299 owner households and 2,165 rental households. Of the owner households, 29.3 percent are cost burdened, with 16.4 percent spending between 30 and 50 percent of income on housing costs and 12.9 percent spending more than 50 percent on housing costs. In contrast, 38.6 of renter households in San Juan County are cost burdened, with 19.6 percent spending between 30 and 50 percent of income on housing costs and 19 percent spending more than 50 percent on housing costs. In terms of severe cost burden, about the same number of White and Black/African American households are severely cost-burdened (12-13 percent). Twenty-three percent of Hispanic households are severely cost burdened.

The divide in stability between renters and owners can result in racially disparate impacts when renters are more likely to be people of color. In San Juan County, about 24 percent of White households rent their homes, compared to about 50 percent of

Black/African American, American Indian, and Hispanic households. In contrast, 76 percent of White households own their homes, and two-thirds of Asian households own their homes.

Figure 6. Number of Households by Cost Burden in San Juan County (2020)

	White	Black or African American	Asian	American Indian or Alaska Native	Pacific Islander	Other Race	Hispanic or Latino (of any race)	Total
Owner Households								
Not Cost Burdened	4,090	15	35	20	0	60	90	4,310
Total Cost-Burdened	1,715	20	8	10	0	20	75	1,848
Cost-Burdened (30-50%)	965	10	4	10	0	10	35	1,034
Severely Cost-Burdened (>50%)	750	10	4	0	0	10	40	814
Not Calculated	110	0	0	0	4	0	20	134
Total	5,920	35	40	30	4	80	190	6,299
Renter Households								
Not Cost Burdened	1,115	35	4	20	0	35	75	1,284
Total Cost-Burdened	685	4	14	8	0	14	110	835
Cost-Burdened (30-50%)	335	0	10	4	0	10	65	424
Severely Cost-Burdened (>50%)	350	4	4	4	0	4	45	411
Not Calculated	45	0	0	0	0	0	0	45
Total	1,845	40	20	25	0	50	185	2,165
Total Households	7,765	75	60	55	4	130	375	8,464

Source: US HUD, 2016-2020 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023

Figures 7 and 8 below compare owner and renter household cost burden. The charts suggest that homeowners generally face lower housing cost burden than renters, with Asian homeowners experiencing the greatest difference in cost burden between renters and owners, while Black and Hispanic homeowners face significant cost burdens in either tenure type. White households show similar cost burden levels between renting or owning, reflecting more housing stability across tenure types. Hispanic/Latino renter households have the highest percentage of renter cost burden (58 percent), and Black owner households have the highest percentage of owner cost burden (50 percent). On the other hand, White renter households have the lowest percentage of renter cost burden (31 percent), and Asian owner households have the lowest percentage of owner cost burden (20 percent).

Figure 7. San Juan County Owner Households Experiencing Housing Cost Burden by Race, 2020

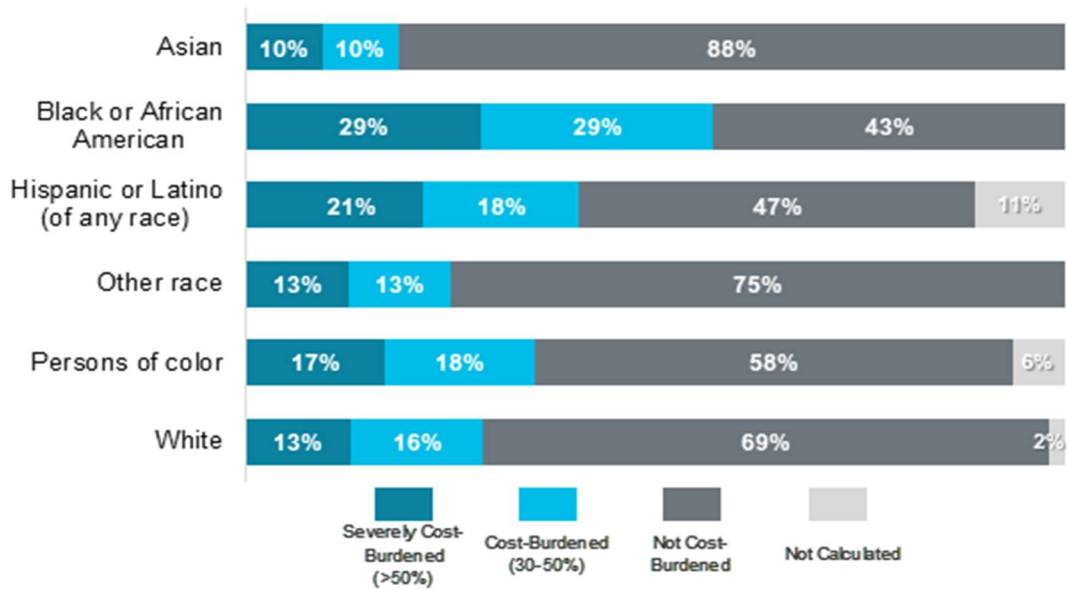
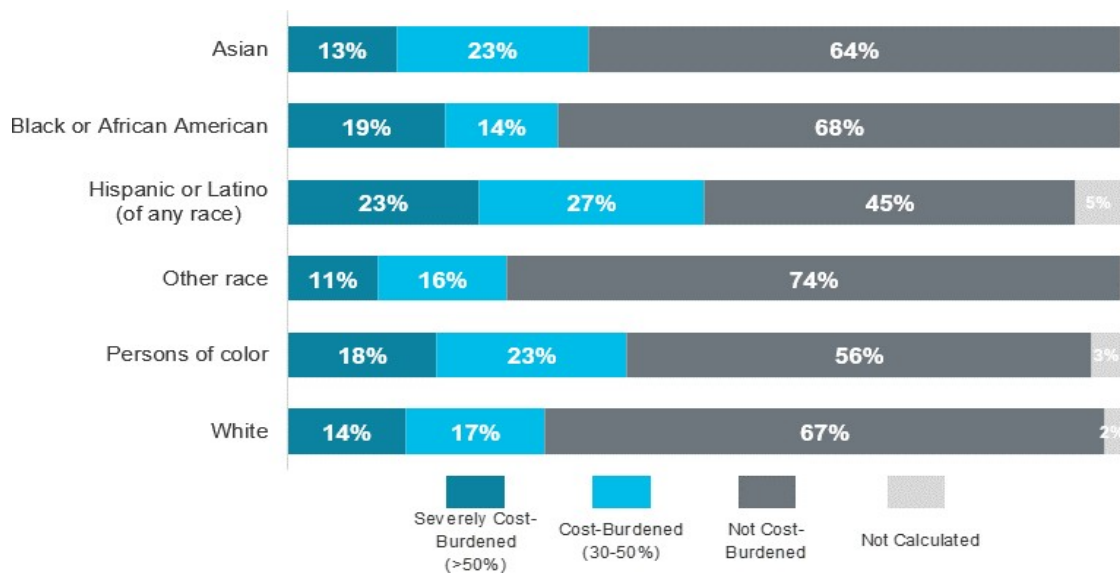


Figure 8. San Juan County Renter Households Experiencing Housing Cost Burden by Race, 2020



Source: US HUD, 2016-2020 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023.

Geographic Disparities and Displacement Risk

The map of San Juan County in Figure 10 indicates that San Juan County has small pockets of racial diversity. Residents of color make up about 12 percent of the population, but like many communities, the distribution of the population within census blocks do not mirror countywide racial proportion. Put differently, some clusters of census blocks are a one-third residents of color, while other clusters are almost 100 percent White residents. While census blocks around the county have varying shares of residents of color, the census blocks in and around Friday Harbor have a higher concentration of BIPOC residents. For statistical integrity, this geographic analysis only uses county census blocks with a 2020 census population of 100 or more.

Figure 9. Race and Ethnicity in San Juan County by Census Block (2020)

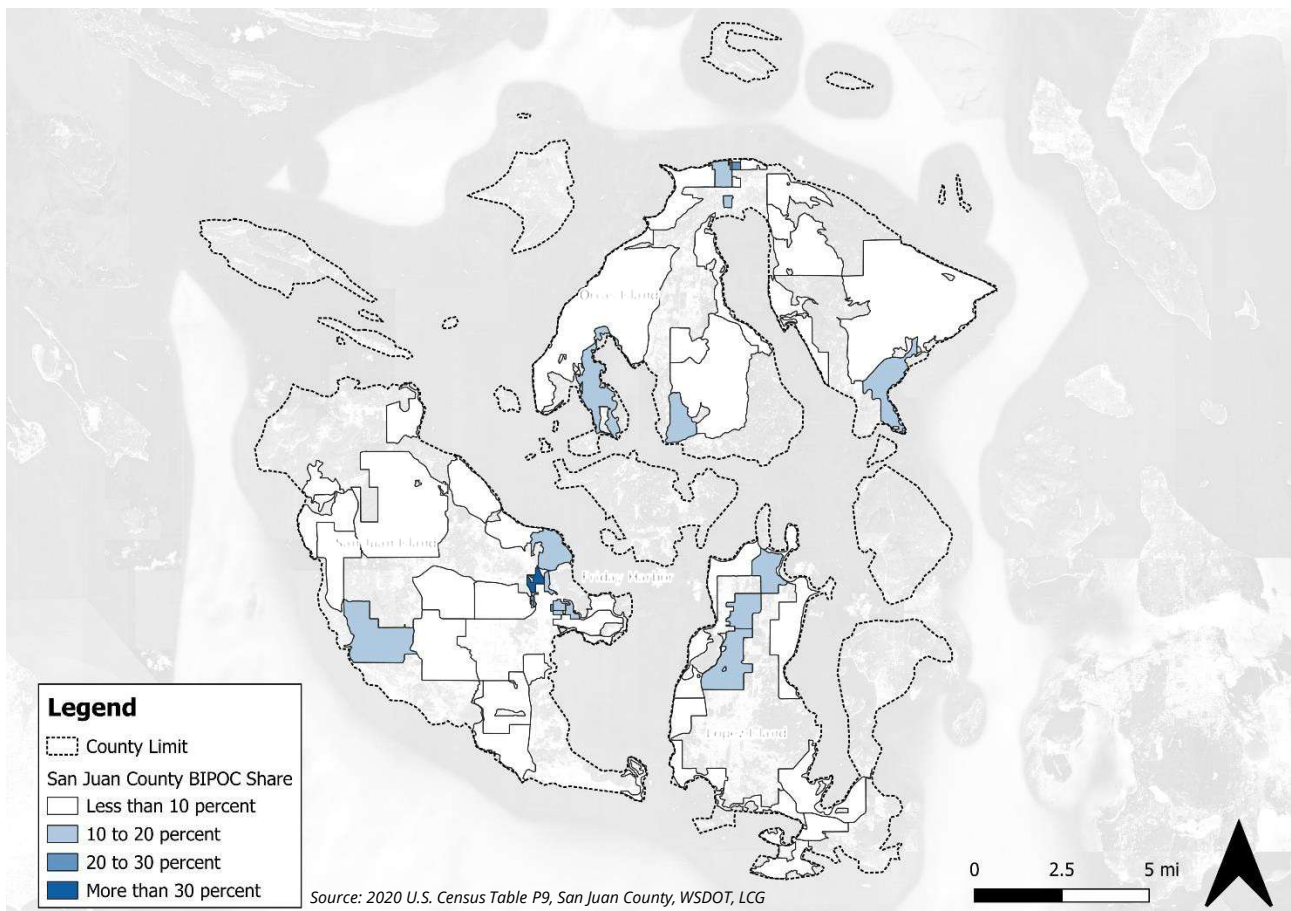
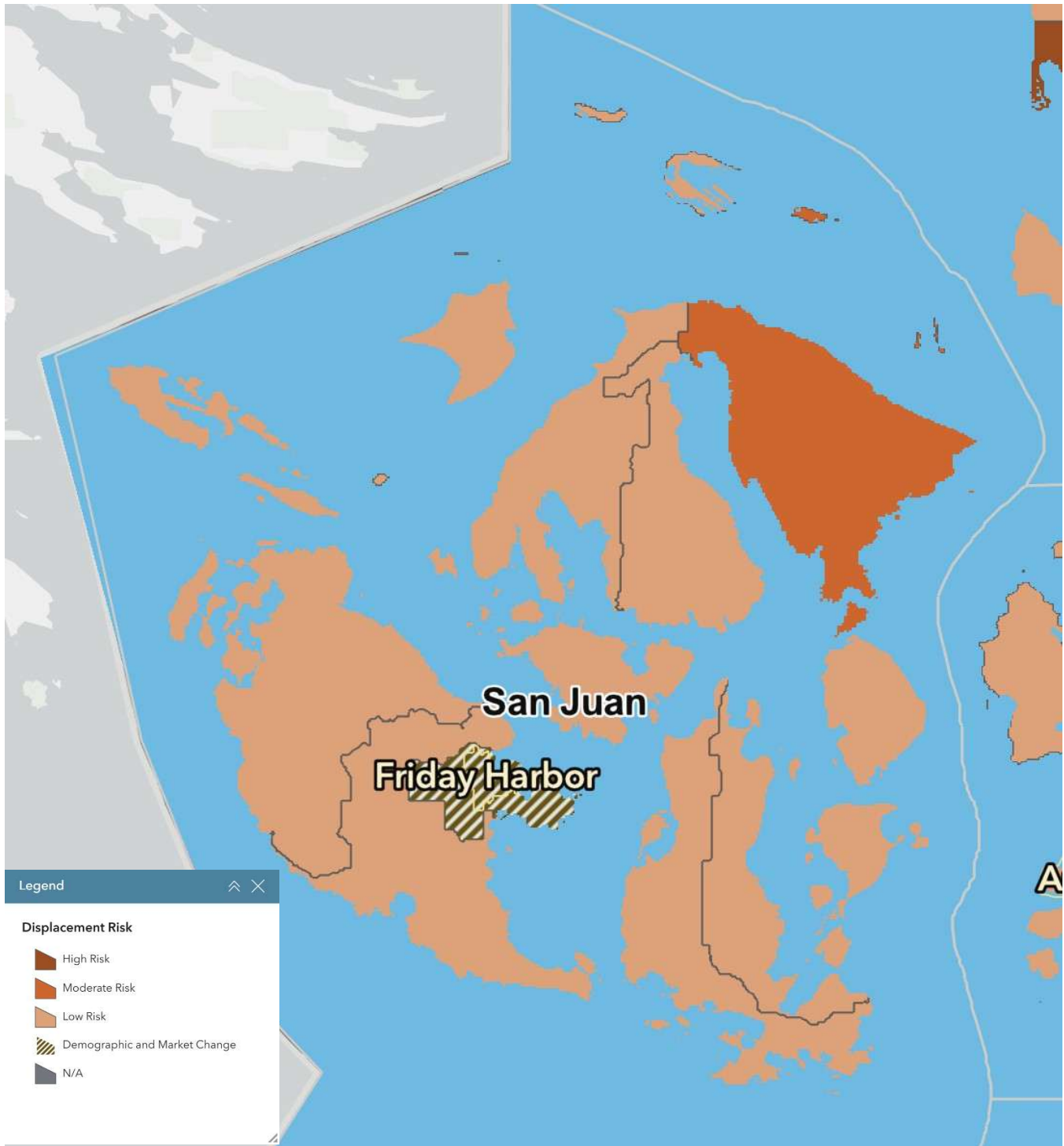


Figure 10 represents the “Displacement Risk” for residents in San Juan County. This map is drawn from Washington Department of Commerce’s [Displacement Risk Map Tool](#), which identifies “areas that may be at a higher risk of displacement from market forces.” As local housing markets evolve, some renters can become vulnerable to increases in rent, especially if wages do not keep pace with the rent increases. Displacement occurs when renters (and in less common cases, homeowners) can no longer meet their housing cost obligations, and are forced to relocate. In worst case scenarios, displaced residents can face homelessness.

Despite housing unit shortfalls in the middle-low- and upper-income categories, most of San Juan County has a relatively low displacement risk compared with nearby communities. Figure 10 shows Washington Department of Commerce’s Draft Displacement Risk Map. While most of San Juan County is considered “low risk”, Friday Harbor is undergoing “Demographic and Market Change,” indicating gentrification. The eastern portion of Orcas Island around the community of Olga is considered “moderate risk.”

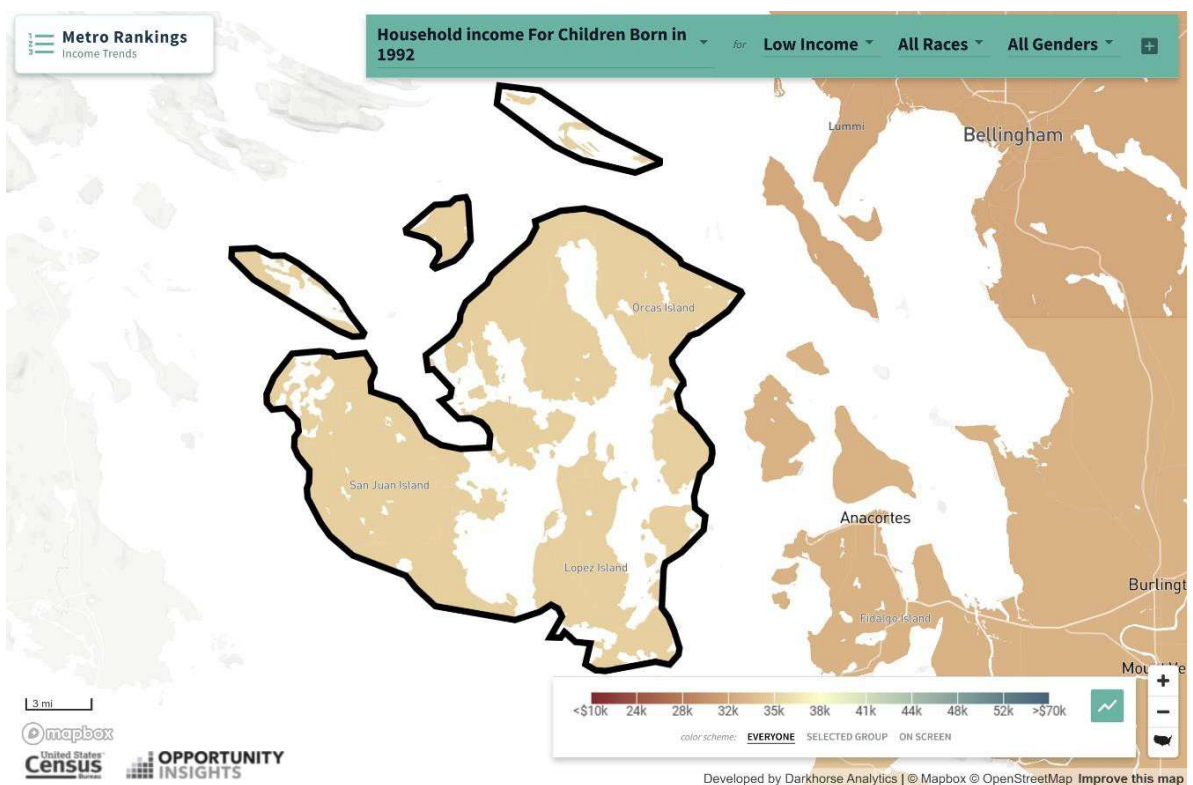
Figure 10. Washington Department of Commerce Draft Displacement Risk Map for San Juan County



Sources: Washington Department of Commerce Draft Displacement Risk Map Tool.

Opportunity Atlas measures the change in San Juan County’s household income (in 2023 inflation-adjusted dollars) for people born to low-income parents in 1978 versus 1992, regardless of race or gender. Figure 12 shows that in 2019, household income for 27 year-olds; i.e., those born in 1992— was \$35,000; this figure was \$5,000 higher than household income for 27 year-olds in 2005; i.e., those born in 1978. This data demonstrates that opportunity for children born to low-income families has increased in San Juan County.

Figure 11. Household Income for Children Born in 1992 to Low Income Parents in San Juan County and Surrounding Communities



Sources: Opportunity Atlas County & Metro Mobility Trends Map Tool.

POLICY EVALUATION

Based on the above analysis, there is room for improvements to policies in San Juan County to reduce racially disparate impacts. The data in the analysis was used to inform the next steps of the racially disparate impacts assessment process evaluating and revising policies that reinforce historical patterns of segregation, displacement, and inequitable outcomes. Taking a proactive approach in shaping policy to address these challenges will benefit all local households as the County seeks to build a more equitable future.

Based on guidance provided by the Washington State Department of Commerce, the following policy evaluation framework was used to evaluate San Juan County’s 2022 Housing Element policies:

Criteria	Evaluation
The policy is valid and supports meeting the identified housing needs. The policy is needed and addresses identified racially disparate impacts, displacement and exclusion in housing.	S Supportive
The policy can support meeting the identified housing needs but may be insufficient or does not address racially disparate impacts, displacement and exclusion in housing.	A Approaching
The policy may challenge the jurisdiction’s ability to meet the identified housing needs. The policy’s benefits and burdens should be reviewed to optimize the ability to meet the policy’s objectives while improving the equitable distribution of benefits and burdens imposed by the policy.	C Challenging
The policy does not impact the jurisdiction’s ability to meet the identified housing needs and has no influence or impact on racially disparate impacts, displacement or exclusion.	NA Not applicable

Existing Goal / Policy #	Existing Goal / Policy	Equity Assessment	Why	Notes
Goal 1: Meet the projected 2036 housing demand for year-round and seasonal residents.				
Policy 1.1	Take the following actions in Urban Growth Areas and Activity Centers: <ul style="list-style-type: none"> • Incentivize the construction of multi-family and mixed-use developments; • Reduce the cost of public services by increasing incentives for denser development; and • Work with the appropriate advisory committees to understand market factors that limit more dense 	Supportive	The RDI found that rental housing shortfalls only exist in the 30-50 percent of AMI & the Above AMI income bands of renters. However, there is only a slight surplus for the below 30 percent income band of renters. Since the RDI also found that households of color are more likely to be located in the lower income bands, policies seeking to increase multi-family and mixed-use development is supportive of RDI goals.	As written, this policy outlines a plan to actively study market forces and provide incentives for dense development. It may go further by identifying historical and current neighborhoods with a high percentage of residents of color.

	development in these areas.			
Policy 1.2	Support the development of housing stock that meets the needs of those in moderate, low, very low, and extremely low-income households.	Supportive	The RDI identified a slight rental shortage in the Very Low Income (30-50 percent AMI) band and a large shortage in the >80 percent AMI band, suggesting that the housing stock needs of these groups are not being met.	Though housing needs are crucial across the income spectrum, the County may do well to add language that focuses this

				policy on the two groups with housing stock shortages.
Policy 1.3	Increase the availability of rentals for workers. Develop specific standards and create incentives for seasonal and year-round worker housing such as dorms, bunkhouses, hostels, group homes, home shares, farmworker housing and other communal living arrangements.	Challenging	Though increasing the housing stock for worker rentals may take pressure off of the housing market, devoting housing resources to 'communal living arrangements' may interfere with the County's efforts to invest in affordable, permanent housing for lower-income residents. These arrangements may not be conducive for families or other household types beyond single people of working age.	This policy might better align with RDI goals by incorporating a research and community outreach aspect that explores whether communal-style housing of this nature would help meet the needs of lower-income households of color.
Policy 1.4	Allow farm stays and farmworker housing accommodations on properties where commercial agriculture is conducted.	Challenging	Similar to Policy 1.3, this policy may free up housing on the lower end of the rental spectrum; however, investments in agriculturally-focused worker housing may be too narrow to accomplish inclusive RDI goals.	Like Policy 1.3, any investments here should be informed by inclusive community outreach efforts to understand benefits.
Policy 1.5	Consider options for inclusion of small home parks and RV parks across the county for long term housing needs.	Approaching	New permanent housing of any type increases supply and lowers costs of ownership, especially small homes and RVs. These options can serve as cheaper alternatives to site-built homes for lower-	To help achieve RDI goals, the County should consult with local homebuyers of color to better understand if and how small

				homes and RVs can serve their unique community needs.
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			income residents. There is opportunity to learn more about how these housing styles serve the community needs of San Juan County residents, including residents of color.	
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Goal 2: Address the housing needs of special populations such as veterans, the elderly, differently abled, mentally ill, victims of domestic violence, and those at risk of or currently experiencing homelessness.		Approaching	This goal is inherently equity-oriented but does not include households of color.	Special populations should explicitly include racial minorities to better position this policy set for RDI goals.
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Policy 2.1	Assure that there are appropriate regulations and land use designations to allow housing to meet the needs of the elderly population, such as group homes, assisted living residences and skilled nursing facilities.	Approaching	Aging in place is a goal shared by seniors from all walks of life. Planning policies that seek to reduce displacement of the elderly are inherently equity-oriented.	Future senior living developments may not be affordable for all seniors. Mandating that a percentage of beds in new facilities are cost-inclusive could help San Juan County seniors from diverse backgrounds afford to age in their communities.
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Policy 2.2	Support organizations that host cold weather shelters on San Juan and Orcas islands and promote the development of a shelter on Lopez Island.	N/A	While supporting shelters is a meaningful step toward housing, this initiative does not directly have influence on supporting racial equity in housing and anti-displacement/exclusion. It is more of a remedial policy.	
Policy 2.3	Implement the County's five-year Homeless Plan and support services in order to reduce homelessness and increase opportunities for	N/A	Similar to Policy 2.2, this policy is remedial in nature, and does not address systemic problems—like housing affordability and shortages—which lead people to become homeless.	

	wellbeing in San Juan County.			
Policy 2.4	Support organizations that provide services for those who are homeless, including laundry facilities and safe storage for belongings.	N/A	Similar to Policies 2.2 & 2.3, this policy is remedial in nature, and does not address systemic problems—like housing affordability and shortages—which lead people to become homeless.	

<p>Policy 2.5</p>	<p>Promote the development of new housing opportunities for vulnerable populations such as safe homes for domestic violence victims, transitional housing for the recently homeless, and the host home program for at-risk youth and youth experiencing emergencies.</p>	<p>Approaching</p>	<p>Though similar to Policies 2.2-2.4 in that Policy 2.5 addresses more acute, front-line housing services, this policy is a bit more focused on those who are teetering on the edge of full-fledged homelessness.</p>	<p>To more closely align with RDI goals, the County may add language around culturally-sensitive services to this policy. For example, Hispanic or Latino residents have the highest respective share of Extremely Low Income (1 in 4), so Spanish language services may better assist those who are experiencing near-homelessness, emergencies, or transitional housing.</p>
<p>Policy 2.6</p>	<p>Continue to implement housing assistance for eligible veterans through the Veterans Assistance Fund.</p>	<p>N/A</p>	<p>This policy is not generally related to RDI goals.</p>	
<p>Goal 3: Improve housing condition and reduce the number of substandard housing units.</p>				

<p>Policy 3.1</p>	<p>Promote health related improvements to older homes, such as accessibility and safety improvements and the abatement of lead-based paint, asbestos, and other potentially harmful materials.</p>	<p>Supportive</p>	<p>San Juan County residents of color represent a disproportionate share of the county's low-income community, and therefore may occupy a disproportionate share of the older, hazard-laden housing stock.</p>	
<p>Policy 3.2</p>	<p>Review and revise permit process for home remodels to ensure compliance with State lead regulations and reduce the risk of exposure.</p>	<p>Approaching</p>	<p>This policy strives to improve the safety of housing stock, which is an equity-oriented goal.</p>	<p>Keeping in mind that many lower-income residents may live in multi-family housing, the policy could explicitly include "apartment building remodels" to hold landlords to the same compliance standards.</p>
<p>Policy 3.3</p>	<p>Support grant acquisitions for the development of home improvement programs to raise the quality and safety of currently substandard housing.</p>	<p>Approaching</p>	<p>This policy is generally in line with housing equity objectives, and residents of color may occupy substandard housing at a higher rate since they are more likely to be cost-burdened.</p>	<p>The policy language is currently a bit vague. Specify which organizations or entities (public or private) would be acquiring the grants, and what kind of home improvement programs.</p>

Policy 3.4	Support non-profit programs that identify and reduce the number of substandard units.	Approaching	Similar to Policy 3.4, this policy is generally in line with housing equity objectives, and residents of color may occupy substandard housing at a higher rate since they are more likely to be cost-burdened.	The policy language is currently a bit vague. Specify what it means for a non-profit to reduce substandard units.
Policy 3.5	Support weatherization and home maintenance programs.	N/A	This policy is not generally related to RDI goals.	
Goal 4: Reduce the costs of maintaining existing homes and constructing new housing units.				

Policy 4.1	Boost the development of construction trades on the Islands by supporting the Economic Development Council to provide training and certification courses at Skagit Valley College.	N/A	This policy is not generally related to RDI goals.	
Policy 4.2	Expedite permitting of approved stock construction plans to reduce building permit costs.	Challenging	Reducing building costs is one potential path to increasing the supply of housing in the county. However, as written, this policy may reinforce existing disparities in housing and benefit only single-family construction patterns.	This policy should be clear on the type of construction it seeks to streamline, and whether the approved plans include affordable housing development. If affordable construction

				plans are not part of the approved stock, then this policy may hinder RDI and equity housing considerations.
Policy 4.3	Continue the owner-builder permit program to enable County residents to construct their own homes.	Challenging	This policy focuses on expanding single-family housing and targets a narrow group of households with the skills and finances to build their own home.	To improve the policy's position to RDI, the County could explore adding equity-oriented features (e.g. using permit fees to create a scholarship for residents from marginalized backgrounds to receive a trades education).
Policy 4.4	Reduce barriers to the construction of affordable housing by identifying alternative funding sources for development costs.	Supportive	This policy supports RDI objectives by encouraging creative funding sources for affordable housing.	
Policy 4.5	Consider the development of Tiny Houses and Tiny House Communities as defined by RCW 35.21.686(4)(a).	Supportive	New permanent housing of any type increases supply and lowers costs of ownership, including Tiny Houses. These options can serve as cheaper alternatives for lower-income residents. This	To help achieve RDI goals, the city should consult with local homebuyers of color to better understand if and how Tiny Houses can serve their unique community needs.

			policy creates an opportunity to learn more about how this housing style serves the community needs of San Juan County residents, including residents of color.	
Policy 4.6	Support tool lending libraries on the most populated islands to increase people’s access to the tools they need to maintain their homes.	Supportive	This policy can reduce housing-related costs for all residents who participate.	According to the RDI analysis, residents of color carry more housing cost burden; this policy helps reduce housing costs and supports RDI objectives.
Policy 4.7	Provide information on environmentally responsible prefabricated building materials and encourage their use as a way for owner-builders to reduce construction costs.	Challenging	This policy focuses on alleviating costs—both financial and environmental—of single-family housing development, but targets a narrow group of households with the skills and finances to build their own home.	To improve the policy’s position to RDI, the County could explore adding equity- oriented features (e.g. using permit fees to create a scholarship for residents from marginalized backgrounds to receive a trades education).
Goal 5: Promote climate resiliency by minimizing the environmental impacts, such as greenhouse gas emissions, of the existing and future housing stock in San Juan County.		N/A		
Policy 5.1	Recognize climate change risks in the development of new housing.	N/A	This policy is not generally related to RDI goals.	

Policy 5.2	Identify and support partners that work to increase the environmental sustainability of housing on the Islands by means such as reducing energy use, protecting critical areas, and mitigating	N/A	This policy is not generally related to RDI goals.	
	climate change impacts.			
Policy 5.3	Provide information about and support the use of green and alternative building materials, and the sustainable reuse of building materials.	N/A	This policy is not generally related to RDI goals.	
Policy 5.4	Encourage investments in energy conservation, efficiency, and renewable energy generation for new and existing housing units.	N/A	This policy is not generally related to RDI goals.	
Policy 5.5	Support working farms and farmland succession.	N/A	This policy is not generally related to RDI goals.	
Goal 6: Increase the number of resale-restricted homeownership and rental affordable housing units.				

Policy 6.1	Support applications to the WA State Housing Finance Commission Land Acquisition Program (LAP) for assistance in purchasing land for affordable housing development.	Supportive	This policy is supportive of RDI goals because residents of color in San Juan County are more likely to be in the affordable housing market, and this policy makes it easier for organizations to initiate the affordable housing development process.	
Policy 6.2	Facilitate the preservation of existing affordable housing units.	Approaching	The spirit of this policy aligns with RDI goals.	To better meet RDI objectives, the policy may include more specific action on how the County will facilitate the preservation of affordable units, such as rent caps, or incentivizing upscale development in areas away

				from existing affordable housing.
Policy 6.3	Promote the design, construction, and maintenance of quality affordable rental units to serve long-term residents of various family sizes and income levels.	Approaching	This policy is supportive of RDI goals by promoting affordable rental units, except it is unclear who "long-term residents" are, and if this is a diverse subset of the community.	To further capture the spirit of the RDI, the policy might incorporate language such as "...of various family sizes, income levels, and racial/ethnic identities. "

<p>Policy 6.4</p>	<p>When allocating county funding for affordable housing, prioritize projects that are permanently affordable with resale or rent restrictions lasting at least 50 years.</p>	<p>Approaching</p>	<p>This policy is supportive of RDI goals, but could have unintended, counter-productive effects.</p>	<p>While seemingly supportive to RDI objectives of affordable housing, this policy may inhibit access to home ownership for residents of color if the affordable units are long-term rent-controlled, and could disincentivize developers from building inflexible, non-appreciating projects.</p>
<p>Policy 6.5</p>	<p>For land use designations that include residential density bonuses, require the additional housing developed as a result of the density bonus to have resale or rent restrictions lasting at least 50 years.</p>	<p>Approaching</p>	<p>This policy is supportive of RDI goals, but could have unintended, counter-productive effects.</p>	<p>In the same vein as Policy 6.4, the restrictive nature of this policy may disincentivize development that will not result in property values that appreciate with the market. This policy could be adjusted so that only a portion of the additional development need include the 50-year rent/resale restriction.</p>

Policy 6.6	Establish a fund and identify funding sources to be used for the offset of building permit fees for affordable housing.	Supportive	This policy is supportive of RDI goals.	
Policy 6.7	Support USDA Rural Development Farm Labor Housing Direct Loans & Grants programs that provide construction, improvement, repair and purchase of housing for farm laborers.	N/A	This policy is not generally related to RDI goals, as it is only relevant to a narrow subset of the population.	
Goal 7: Adopt regulations in the San Juan County Unified Development Code and Comprehensive Plan elements that facilitate access to affordable housing by increasing the number of available affordable units and widening the range of people who qualify for affordable housing.				
Policy 7.1	Expand the existing density bonus program to provide further incentives for creating affordable housing in Urban Growth Areas and Activity Centers.	Supportive	This policy aligns with RDI goals. Residents of color are more likely to experience housing cost burden, and affordable housing options may reduce this cost burden.	
Policy 7.2	Allow bonuses for multi-family affordable housing development.	Supportive	This policy aligns with RDI goals. Residents of color are more likely to experience housing cost burden, and affordable housing options may reduce this cost burden.	

<p>Policy 7.3</p>	<p>Allow up to 50% of dwelling units counted as affordable housing for the purpose of obtaining affordable housing privileges to be for moderate income households.</p>	<p>Supportive</p>	<p>This policy aligns with RDI goals. Residents of color are more likely to experience housing cost burden, and affordable housing options may reduce this cost burden.</p>	<p>The language of this policy could be more specific about what "moderate income households" means. According to RDI housing availability data, there is a surplus of units for those in the 50-80 percent AMI income bracket, while supply is much tighter for the 30-50 percent</p>
				<p>and >80 percent AMI brackets.</p>

<p>Policy 7.4</p>	<p>Allow nonprofits and private developers to develop small-scale rural residential clusters with long-term affordability restrictions and no more than twelve dwelling units each, within rural residential, rural farm forest, and Village, Hamlet and Residential Activity Centers. The Developer must have a long-term stewardship plan, other than the County, for monitoring resales.</p>	<p>Approaching</p>	<p>This policy’s affordability focus is generally supportive of RDI goals, but the location of these clusters ultimately impacts whether this policy aligns with RDI goals.</p>	<p>Based on the map in Figure 2, there are large swaths of San Juan County with no residents of color. If these affordable developments cluster in such areas, then this policy could promote further segregation patterns and clash with RDI goals. There may be demographic guidelines included that stipulate such rural developments must occur in census tracts with a diversity of households.</p>
<p>Policy 7.5</p>	<p>Ensure consistency between the County’s definitions of affordable housing by considering housing costs for renters to include rent and utilities, or, for owners, to include the principal and interest on the mortgage plus property taxes and insurance (PITI).</p>	<p>Supportive</p>	<p>This policy is supportive of RDI goals, since the policy attempts to account for additional cost burden that may be hidden from upfront calculations of affordability.</p>	

Policy 7.6	Encourage public sector employers (such as the Town of Friday Harbor, San Juan County, school	Approaching	This policy is supportive of RDI goals in that it focuses on expanding affordable housing. However, this policy does not account for	Ensure this policy is complemented by simultaneous efforts to expand or maintain sufficient
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	districts, fire districts, public health districts, etc.) to provide for affordable housing options for their employees utilizing lands currently owned and operated by those entities.		the racial diversity of public sector employers.	diversity of public sector employees.
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Policy 7.7	Encourage essential service providers (such as but not limited to utilities and public health providers) to provide for affordable housing options for their employees utilizing lands currently owned and operated by those entities.	Challenging	This policy is broadly supportive of RDI goals in that it focuses on expanding affordable housing. However, this policy does not account for the racial diversity of these essential service employers, and it is more difficult to oversee the actions and internal policies of private/semi-private entities.	If racial inclusivity targets are not met by the private entity, then the County may require such projects to reserve affordable units for non-employee households, or implement other measures to ensure equity.
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Policy 7.8	Explore and implement ways to better utilize Accessory Dwelling Units as long-term affordable housing.	Approaching	ADUs are one tool that can help ease housing shortages in general, especially for renters.	ADUs can increase local housing stock, yet the lowest-earning households may experience obstacles in single-family neighborhoods without transit access or budget-friendly
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				shopping. ADU expansion is a good start, but should be accompanied by other forms of affordable housing development and permission.
Goal 8: Partner with organizations that support housing affordability and leverage the County’s access to resources to utilize and provide programs that increase access to housing for moderate to low-income households.				
Policy 8.1	Collaborate with non-profits to provide housing support services	Supportive	This policy aligns with RDI goals.	Non-profits with cultural sensitivity training and/or expertise can further enhance
	such as rental, homeownership and utilities assistance programs for low to moderate income households.			this policy’s relevance to RDI objectives.

<p>Policy 8.2</p>	<p>Utilize state and federal housing resources and grant programs to the maximum extent possible consistent with the goals and policies of this Element for affordable housing development, rental and homeownership down payment assistance, weatherization assistance, and infrastructure development related to affordable housing.</p>	<p>Supportive</p>	<p>This policy aligns with RDI goals.</p>	
<p>Policy 8.3</p>	<p>Leverage local funding sources to attract state, federal and private dollars to support the development of housing affordability programs.</p>	<p>Approaching</p>	<p>This policy aligns with RDI goals, but is a bit vague.</p>	<p>The policy could clarify what kinds of local funding sources.</p>
<p>Policy 8.4</p>	<p>Provide, as appropriate, for the sale or lease of County-owned land for permanently affordable housing development.</p>	<p>Approaching</p>	<p>This policy's affordability focus is supportive of RDI goals, but the location of the sold land could impact whether this policy aligns with RDI goals.</p>	<p>Based on the map in Figure 2, there are large swaths of San Juan County with no residents of color. If these affordable developments cluster in such areas, then this policy could promote further segregation patterns and clash with RDI goals. There may be demographic</p>

				guidelines included that stipulate such developments must occur in
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				census tracts with a diversity of households.
Policy 8.5	Facilitate and support the development of down payment assistance programs such as the Equity Loan Program and work with banks to develop programs to roll down payments into mortgages.	Supportive	This policy is supportive of RDI goals.	
Policy 8.6	Lobby for funding support for affordable housing programs in rural areas using tax credits.	Approaching	This policy's affordability focus is supportive of RDI goals, but the location of the affordable housing programs could impact whether this policy aligns with RDI goals.	Based on the map in Figure 2, there are large swaths of rural San Juan County with no residents of color. If these affordable developments cluster in such areas, then this policy could promote further segregation patterns and clash with RDI goals. There may be demographic guidelines included that stipulate such programs occur in rural census tracts with a diversity of households.

Source: San Juan County Comprehensive Plan, Section B, Element 5.7: Housing Goals and Policies.