

Q&A with the candidates for San Juan County Council

October 2024

Two island residents, George Zweibel (gjzweibel@gmail.com), Orcas Island and Sandy Bishop (turtle@rockisland.com), Lopez Island, asked the San Juan County Council candidates eight questions about affordable housing. The questions are not intended to be in order of importance, and some more narrowly address specifics and may be of particular interest to readers. Running for Position 1 from San Juan Island are Kari McVeigh and Stephanie O'Day. Running for Position 2 from Orcas Island are Rick Hughes and Justin Paulsen.

1. As you see it, what is the Council's role with regard to affordable housing?

Hughes: Affordable housing should be the top priority for the San Juan County Council. Our role is an important mix of 1. Executing the 8 goals in the SJ County Comprehensive Plan Housing section as determined by staff, council and concerned islanders; 2. Collaborating with the Housing Advisory Committee to balance the needs of affordable housing and the environment; and 3. Most importantly, always listening to public input and pushing for innovative ideas.

Additionally, SJCC needs to make accessible/affordable housing permit approval as a priority, expand the first-time home buyers fund and loans that allow for the purchase of land that can be used for more affordable livable structures (e.g, tiny homes, prefab, panelized kit homes) or critical infrastructure like septic. The county should also prioritize approval of all affordable housing projects, and provide more first-time home buyer loans for homes and land. I also propose working with other providers to lower utility installation costs (which are often cost-prohibitive for potential homeowners) and make more land available for home construction. In addition, modifications to the guest house rule for affordable rentals are critical.

Paulsen: The first priority for Council should be to assure that the policies and resources are in place to guarantee that a reliable, predictable and efficient process exists for the analysis and processing of building and land-use applications. One of the most critical expenses in any project is that of lost time - we cannot afford to be the cause of a pushing a project over budget due to administrative failure. Second, the Council should assure that planning policies and code revisions are regularly reviewed to assure that codes and interpretations are consistent across disciplines. This cannot be a once in a decade process. It needs to be regular and ongoing in order to prevent unnecessary, costly delays while also recognizing points for enhancements of opportunity. Finally, Council must be actively engaged with community partners, incentivizing and supporting projects which provide maximum impact for County tax dollars. Allocation of Affordable Housing REET dollars to projects is incredibly important and having local control of where those monies are targeted is one of the most powerful and flexible tools that San Juan County has.

McVeigh: The County has a major responsibility in regards to permanently affordable housing, from setting the conditions for how permanently affordable housing will be built, to where it might be built. Additionally, the Council determines the types of permanently affordable housing (e.g. single family, muti-family, ADUs, rentals, etc.), how such housing will be utilized, by whom, and by requiring that it remain permanently affordable forever.

O'Day: The Council, as the legislative arm of the county, can adjust the codes to allow for more ADU s on properties to be used for long term rentals.

2. Are there specific Code changes you would propose to allow creation of more affordable housing? If so, what are they and what are your reasons?

Hughes: I propose changing the current code to permit more flexibility with livable ADU's (Accessory Dwelling Units) so that they can be built on smaller lots, on separate water/septic and be more than 100 feet away from the primary resident, always taking into account shoreline master plan and critical areas ordinances. Tiny homes need to be allowed and easy to permit. These ADU's could never be short term rentals.
From the Comp plan Goal/Policy 6&7

- Allow bonuses for multi-family affordable housing development
- Expand the existing density bonus program to provide further incentives for creating affordable housing in Urban Growth Areas and Activity Centers.
- 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.
- Establish a fund and identify funding sources to be used for the offset of building permit fees for affordable housing.
- Change ADU rules
- Allow Mobile Home/Tiny Home Parks
- Increase funding of the first time home buyers loan program
- Make all affordable housing permits to be discounted and approved as a priority
- Encourage renewable energy options with all new construction.
- Increase Farm worker housing density allowance
- As has recently been implemented on Cortez Island, a 3% lodging tax added to the cost of a stay for a visitor that is collected for affordable housing. Work with Senator Lovelett on passing SB 5420, which will allow local jurisdictions to add this additional affordable housing lodging tax.

Paulsen: I believe that San Juan County needs to enhance opportunities to increase housing stock in a wide band of income levels. From a code perspective, we should be targeting changes which enhance both ownership and rental access. I would specifically support a reconsideration and analysis of the current regulations regarding ADU's. I would specifically look at utilizing the as-of-yet un-formulated "Transfer of Development Rights" portion of the code (SJCC 18.60.040) as a mechanism for creating opportunities for ADU construction and clustering. Through careful construction of this portion of the UDC, incentives could be included which would allow for creating housing which is available to a wider spectrum of incomes and is restricted to year round rental. Properly managed, this revision could be used to move density away from resource starved areas, preserving limited natural resources.

I support the analysis of potential density calculation changes within our UGA/s which may provide density bonuses for development of efficiency/studio designed housing. Acknowledgement of the reduced cost and impact of smaller per/unit development is one way to increase senior/entry level/workforce-based housing stock while addressing cost concerns.

McVeigh: I believe that the Council has a variety of options to amend codes to allow for the fast tracking of permanently affordable housing plans, to allow for the creation of pre-approved plans for affordable housing, and to incentivizing the creation of ADUs for the purpose of providing permanently affordable housing. To do so we need to amend ADU regulations, create density bonus/exception for RRC (Rural Residential Clusters), create density bonus/exception for FR (Forest Reserves) or allow RRCs in FR, allow greater residential density in RGU, allow ADUs with an easement for “affordable housing” with enforcement rights by the County, and allow commercial uses to include an extra residential unit.

O’Day: Yes, currently the county code only allows ADU’s on 5-acre properties and within 100 feet of the main home. I would like to have that adjusted to 4-acre parcels and farther away from the main home, while retaining setbacks from adjoining properties, to encourage more ADU’s for long term rentals. The lottery for ADUs should be set aside. Stock plans for small houses and quicker building permit approvals for tiny house and manufactured home placement should also be a goal.

3. As a Council member, what new initiatives would you propose or support to increase the number of affordable housing units in San Juan County?

O’Day: I applaud the County Land Bank for purchasing a property in Town, putting a historic covenant on it, selling it to San Juan County, and I applaud the County for turning around and leasing the land to the San Juan Community Home Trust for \$1 per year to be used for Affordable Housing. Lets do more of this! Also, modify the code to loosen ADU regulations.

McVeigh: In addition to the changes delineated above, I think there are opportunities to create public/ private partnerships to help increase the opportunities for moderate income folks to be able to purchase permanently affordable homes. I believe the Council should pursue these opportunities.

Paulsen: The greatest roadblock to the construction of housing, especially affordable housing, is the cost of land and infrastructure. For this reason, we must look at how to utilize density to our advantage in meeting the current needs of our community. As indicated above, there are several opportunities to do this through targeted code modification. I would also support the consideration of a low-interest loan program, facilitated through the County Home Fund which would assist qualified buyers and individuals building new housing units in offsetting infrastructure costs.

Much of our rental stock is owned by individual, private owners who lack the funds necessary to make repairs and upgrades on their units, resulting in unsafe and unacceptable living conditions for our community members. I would support a low-interest loan program to be offered to individual landlords who rent homes on a long-term basis which would aim to facilitate energy efficiency upgrades and critical repairs to their properties in order to maintain and improve the standard of living of their renters. Use of these funds could be tied to a commitment to maintain the home as an affordable rental for a period of time.

Hughes: Using past experiences and my listening tour and personal exploration on the subject over the last few years, I am excited to develop or support new initiatives. To begin, I believe the San Juan County Council needs to help affordable housing builders secure funding from county, state and federal partners. Here are other ideas that are top of mind but by all means do not represent all of the initiatives I would support

1. Expand the existing density bonus program to provide further incentives for creating affordable housing in Urban Growth Areas and Activity Centers.
2. Allow bonuses for multi-family affordable housing development.
3. 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. Leverage local funding sources to attract state, federal and private dollars to support the development of housing affordability programs.
4. Provide, as appropriate, for the sale or lease of County-owned land for permanently affordable housing development.
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.
6. Lobby for funding support for affordable housing programs in rural areas using tax credits.

4. The 1% Conservation Land Bank real estate excise tax (REET) is up for voter renewal. Do you understand that if it fails and is not renewed by the sunset date of December 31, 2026 the Affordable Housing REET (1/2 of 1%) will also end at that time as required by state statute? Do you support the renewal of the Land Bank REET?

O'Day: I do support the renewal of the REET but believe that the Land Bank must slightly expand its mission. They should not buy more land unless it can be used for affordable housing, and should use the funds for maintaining what they have. This will require a modification of the mission contained in our local land bank code and perhaps a modification of the law enabling the formation of a land bank at the state level. We can do this.

McVeigh: Yes, I support its renewal! The county needs continued funding for affordable housing initiatives.

Paulsen: Simply and emphatically - YES!

Hughes: I helped work on the Affordable Housing REET while I was in office and understand the connection between the Land Bank renewal and the Affordable Housing REET.

I 100% support the Land Bank and the renewal of the Land Bank Charter. The Land Bank is an important conservation tool unique to San Juan County. It protects habitat, opens up access to lands for all to use, and is important for the preservation of our island and culture.

5. There is general agreement that San Juan County needs more housing that is affordable to the working population. What are your thoughts on the importance of also creating more affordable housing for non-working full-time island residents who are seniors, disabled, others living on fixed incomes, or currently unhoused?

Paulsen: The feeling of "Housing Security" is as important as the physical structure itself. I believe that as we discuss housing and growth in our county, we MUST assure that those concepts are implemented equitably throughout our community. There are several ways to assure this:

- In our work on the Development Code we can build-in incentives for projects which emphasize and target specific populations which we, as a community, have identified as needing specific focus.
- Through work with the HAC, Council can direct funds to be designated toward projects which target impact at priority populations.

- Consistently looking for partnering opportunities with local organizations and Districts to co-locate housing with adjacent human services providers and projects, leveraging grant and donor funding to meet multiple needs should always be a focal point.

Hughes: I think providing workforce housing is very important, but the county needs to continue to support housing or work with local Land Trusts and affordable housing developers to provide farm worker housing, senior housing, housing for veterans and disabled housing. We will need to create housing for all the is accessible for all people in the community.

O'Day: I so strongly believe that this is also a problem that I personally bought a property and placed 5 tiny homes that I rent affordably to individuals 55+. We could use more.

McVeigh: Absolutely yes, all groups should be included in the housing effort. Perhaps senior housing fits into the RRC and/or tiny house scheme? Regulations should be amended to make it easier to construct supportive housing communities for all kinds of folks.

6. The Housing Advisory Committee has recommended minimal Code changes to allow development of small “tiny house communities” in land use designations that allow Rural Residential Clusters (RRCs). Though intended to provide opportunities for affordable housing, RRCs have been greatly underutilized for this purpose. Existing RRC requirements would limit density (no more than two dwelling units per acre, up to 12 in all, and limit the number on each island), and minimize visual impact (site design, improvements, open space, screened parking, retention of trees, etc.). Would you support implementation of this recommendation?

Paulsen: I support this recommendation and generally support recommendations which recognize the greatly diminished impact of smaller scale residential development. It should not be that an 800 square foot home and a 5000 square foot home are considered the same scale of development when it comes to impact on our resources and environment. That is the basis for the RRC provision. Current restrictions on the requirements for use of the RRC provision should be analyzed to see if there are changes that could be beneficial in allowing for more entities to implement it.

Hughes: Yes, I would support the implementation of this recommendation, but would actually consider increasing the density, depending on what land use designation was being considered.

O'Day: The current regulations (18.60.230) already allow this – but with the strict requirement that the homes be rented or sold “affordably”. The problem is that by the time a developer plows through all the red tape, provides all the expert reports for the property (wetlands? Steep slopes? Shoreline? Archeology?) and then has to spar with the county for completion, coupled with the high cost of construction, building an “affordable home” is a misnomer for anyone outside of the nonprofit arena. We need to preserve our open spaces and cluster design the communities to preserve open space as much as possible, but we need more homes. The County needs to loosen the regulations and work with an applicant rather than against an applicant to make this happen. Prefab tiny homes are a great answer.

McVeigh: Absolutely, their size is self-limiting as to how they will be used.

7. Do you think there are specific reasons why Accessory Dwelling Units (ADU's) are underutilized as long-term affordable rental housing? If so, please list them and tell us what, if any, changes you propose.

McVeigh: Current regulations require ADUs to be within 100 feet of the main house. This location requirement plays into whether an owner wants to interact with tenants on a full-time basis. To help incentivize owners to provide a permanently affordable ADUs, the county could amend the regulations which require the same septic system and driveway to be used, delete the 100-foot location requirement, delete the lottery system and quotas. However, this would need to be coupled with a significant enforcement capability to ensure ongoing compliance.

O'Day: The fact that an ADU must be built within 100 feet of the main home, that there is a lottery in place for permits and that an applicant for a separate guest house must have at least a five-acre property are a problem. Many who have built guest houses have no intention of using them for anything but their guests! Let's loosen guest house rules, while keeping the prohibition against using them for vacation rentals.

Hughes: I think that Accessory Dwelling Units need to be used more in the future for adding affordable rental housing. As mentioned above, ADU requirements need to be modified to allow more to be built. I think ADU s should be allowed on parcels over two acres (maybe even smaller parcels), be on separate wells, more than 100 feet from the principal residence and allow separate driveways, in exchange for never being a short term rental and if rented will be deed required to be permanently affordable.

I think ADU s have not been used as much as possible due to the requirement to obtain a building permit for one outside the UGA s. On average it has been between 8-12 allowed a year. Also, not only are these units over \$300 sq ft, which makes them expensive to build, but people do not want to have non-family members within 100 feet of their house.

Paulsen: One of the biggest reasons that ADU's are not utilized is that they are simply not allowed in most zoning designations within our county. I believe that if we were to create careful and strategic opportunities within the code for their development, they would become a greater contributor to our housing stock. A secondary reason for resistance is the cost, complexity and regulations surrounding them when they are acceptable under the code.

As indicated above, I believe that San Juan County has the opportunity to make advances on this effort and I believe that through use of other innovative measures (pre-approved plans, streamlined permitting, permit fee incentives...) ADU's could become a viable piece of working on the affordable housing puzzle.

8. There is currently a cap on the number of vacation rental permits allowed for each island. Do you support reducing, maintaining, or increasing the number of vacation rentals allowed? Depending on your answer, please explain if you think there is a linkage between a lack of affordable housing and vacation rentals and how your proposed changes would help boost affordable housing options.

McVeigh: I am in favor of maintaining the cap. I believe there is definitely a link between the lack of all housing -- affordable or otherwise -- available to rent or own and the number of vacation rentals on our islands. Currently owners decide how permitted vacation rentals and ADUs are used. They can choose to rent them out as short-term vacation rentals, as seasonal rentals or as year-round, long-term rentals, or not at all! Since vacation rentals take homes off the rental housing inventory and add to our deficit housing situation, I believe the County should look at ways to incentivize owners to choose offering them as year-round, long-term and permanently affordable rentals. This, too, should be coupled with a significant enforcement capability to ensure that vacation rentals are legal and are in compliance with all the requirements.

O'Day: There is currently a cap on vacation rental permits in the county (337 San Juan, 212 Orcas, 135 Lopez. I do not believe we should issue any more at this time. We have plenty of options for tourists to stay in. That said, I also do not believe we should be taking permits away. Many of these homes are large and/or waterfront and the rent would be outside of the affordable range so cancelling those permits would not substantially change the housing situation. Loosening the regs to allow construction or placement of small guest houses (with a prohibition against short term rentals) is the way to go.

Hughes: I think what is currently passed is a good place for this point in time and do not feel that anything should change until the review period is up.

I think there will always be situations where access to affordable rental housing could be taken away due to a vacation rental. When I was in office i pulled every vacation rental permit and applied to assessed value for permit parcel and at that point in time, 85% of the permits were attached to parcels that were valued at more than \$600,000, which could lead to a conclusion that rents for those properties may exceed what is affordable.

Paulsen: I believe that the current caps on Vacation Rentals should be maintained. I do not believe that at this point it would be legally possible to reduce the number of permits below the current allocated numbers, but I do believe that at some point in the future, Council should examine all relevant data and determine if the VR caps should be reduced through attrition. Unfortunately, a majority of the homes currently in use as vacation rentals are not likely to be re-converted to affordable housing, so I do not see changes in the current regulations resulting in a measurable increase in available housing units at the affordability levels most required by our community. Allowing the current regulations a period of time in place prior to analysis will help to yield data on if further modifications are necessary.