

Chapter 4 HOUSING

INTRODUCTION

The Housing Element of the Comprehensive Plan was developed in accordance with Section 36.70A.070(2) of the Growth Management Act (GMA). It represents the community's policy plan for housing during the next 20 years.

The Housing Element was also developed to be consistent with the Joint Planning Policy, and integrated with all other plan elements to ensure consistency throughout the Comprehensive Plan. The Housing Element describes the Town of Friday Harbor's housing demographics, including number of units, household size and characteristics, vacancy rates and seasonal use. The housing element also examines housing conditions and affordable housing within the Town. Maximum residential capacity for the Town is presented, along with the twenty year expected housing need.

Primary sources used in the housing element include both the 1990 and 2000 US Census reports, and the 2002 Town of Friday Harbor Housing Report. Please note that when San Juan County data is mentioned, it includes statistics from the Town of Friday Harbor.

Housing Demographics

Housing Units

During the period from 1980 to 1990, the Town of Friday Harbor's population increased by 24%, from 1,200 people in 1980 to 1,492 in 1990. This was

matched by an increase in total housing units of approximately 22%. Since 1990, the creation of new housing units in Friday Harbor has basically matched the Town's rate of population growth.

Based on US Census reports, Table 4-1 shows the expansion in housing units for the Town, San Juan County and Washington State. From 1990 to 2000, the Town of Friday Harbor's housing stock expanded by 234 units, increasing from 819 units in 1990 to 1,053 in 2000. The addition of 28.6% more housing units align with the 33% growth in Town residents. During 2001, the Town of Friday Harbor built 16 new housing units. Therefore, by the end of 2001, the Town of Friday Harbor had approximately 1,069 housing units for its 2,020 residents.

Table 4-1: Increase in Housing Units

Housing Units	Friday Harbor	San Juan County	WA
1990	819	6,075	2,032,378
2000	1,053	9,752	2,451,075
Increase 1990-2000	234 units	3,677 units	419,697 units
% change	28.6%	60.5%	20.6%
2001	1,069	10,092	N/A
Increase 2000-2001	16 units	340 units	N/A

Source: 1990 and 2000 US Census 100% count data.

From 1980 to 1990, San Juan County's population, on the whole, increased by 28%, from 7,838 people to 10,035. However, the total number of housing units in the County increased by only 14.4% in the 1980's. During the 1990's, San Juan County increased their stock of housing units from 6,075 units to 9,752 units, a 60.5% increase in housing units for a 40% growth in population. During 2001, the County's housing stock continued to grow, increasing by 340 units, for a total of 10,092 housing units to

accommodate a population of 14,400 people. For comparison, Washington State witnessed a 20% increase in total housing units, perfect to accommodate a 21% population expansion.

Units in Structure

According to the 2000 U.S. Census sample data, there are 434 detached housing units in the Town of Friday Harbor, which accounts for 41% of all Town housing units. There are 49 attached one-unit structures (4.6%), and 18 structures with 2 units (1.7%). There are 119 structures with 3 or 4 units (11.2%), and 146 structures with 5 to 9 units (13.8%). The Town also has 130 structures with 10 to 19 units (12.3%) and 56 structures housing 20 or more units (5.3%). The U.S. Census counted 97 mobile homes (9.2%) in the Town of Friday Harbor.

San Juan County is composed primarily of detached housing unit structures (81%) and some mobile homes (8.4%). Without the higher density units in Friday Harbor, the County only has 74 structures with 3 or 4 units, 17 structures with 5 to 9 units, and 57 structures with 10 to 19 units. San Juan County does not have any structures with 20 units or more.

Households

The Town of Friday Harbor had a 30% increase in households existing within the Town limits during the 1990's, for a total of 896 households in 2000. San Juan County as a whole, increased in number of households by 47.2%, for a total of 6,466 households in 2000.

Household Size

Table 4-2, highlights how household size has changed for the Town of Friday Harbor and San Juan County during the past

decade. In 1990, Friday Harbor had a much smaller average household size than San Juan County. During the 1990's Friday Harbor's household size increased by 3.4%, bringing the average size up to 2.13 persons per household.

Table 4-2: Change in Household Size

Average Household Size	Friday Harbor	San Juan County	WA
1990	2.06	2.22	2.53
2000	2.13	2.16	2.53
Increase 1990-2000	.07	-0.06	No change
% change	3.4%	-2.7%	No change
<i>Source: 1990 and 2000 US Census 100% count data.</i>			

From 1990 to 2000, San Juan County's average household size decreased from 2.22 persons per household to 2.16; this is a 2.7% decrease in average persons per household. Washington State's household size remained at 2.53 persons per household, a much higher level than both San Juan County and Friday Harbor's. Having such small household sizes affects housing needs because it increases the amount of housing units needed to accommodate the population.

Household Characteristics

In 1990, out of the 686 households in the Town of Friday Harbor, 352 or 51% of them were reported as family households and 334 or 49% as non-family. The Town's proportion of family and non-family households remained almost the same during the past decade. In 2000, San Juan County had a ratio of 62% family household to 38% non-family households. This ratio aligns closely with the average for the State of Washington (66% family to 34% non-

family) and is very different than the Town’s ratio of family and non-family households. The Town of Friday Harbor’s high amount of non-family households most likely stems from a high percentage of people living alone.

Tenure

The 2000 Census counted 1,907 residents occupying housing units in the Town of Friday Harbor, this figure does not include those in group quarters. Table 4-3 shows that 45% of the Town’s population rent their homes while 51% own the housing unit they occupied during the 2000 U.S. Census. For comparison, 74% of all San Juan County residents own the home they occupy. This dramatic difference is likely the result of the high percentage of multi-family housing available in the Town. Washington State averages a ratio of 66% owner-occupied to 32% renter occupied housing units.

Table 4-3: Households Pop. by Tenure

Household Population in:	Friday Harbor	% Pop.	San Juan County	% Pop.
Owner-occupied units	1,010	51%	10,469	74%
Renter-occupied units	897	45%	3,489	25%
<i>Source: 2000 US Census 100% count data.</i>				

Occupancy

As can be viewed in Table 4-4, there are a total of 1,053 housing units in the Town of Friday Harbor, of these 896 or 85% were occupied on April 1st, 2000. 15% or 157 units were vacant and 69 or 7% were for seasonal, recreational or occasional use. San Juan County had a much higher vacancy rate during the 2000 US census with only 66% percent of the 9,752 housing units

registering as occupied and 34% as vacant. San Juan County also had 2,776 (29%) seasonal, recreational or occasional use housing units.

Table 4-4: Housing Occupancy

Housing Occupancy	Friday Harbor	% units	San Juan County	% units
Housing units	1,053	100%	9,752	100%
Occupied units	896	85%	6,466	66%
Vacant units	157	15%	3,286	34%
For seasonal, or occasional use	69	7%	2,776	29%
<i>Source: 2000 US Census 100% count data.</i>				

Vacancy

The Town of Friday Harbor has higher vacancy rates than San Juan County and Washington State. The Town of Friday Harbor averages 2.6% vacancy for owned residences and a relatively high 8.5% vacancy rate for rentals. During the 2000 Census, Friday Harbor had 42 units (27% of the vacant units) available for rent, 12 (8%) for sale, and 21 (13%) were rented or sold but not occupied. 69 of the vacant units were designated as for seasonal or occasional use, which is 44% of all vacant units. 13 units or 8% were vacant for other purposes.

San Juan County, on the whole, has a homeowner vacancy rate of 1.7%, which is almost the same as Washington State’s homeowner vacancy rate of 1.8%. San Juan County’s averages a 7% rental vacancy rate, just slightly higher than Washington States’ average of 5.9%.

The rental vacancy rates for both the Town of Friday Harbor and San Juan County fluctuate drastically during the winter and summer seasons when there is seasonal work available.

Seasonal Use

The recreational and aesthetic attributes of San Juan County have always attracted seasonal activity and vacation housing. During the 1990 census, the Town of Friday Harbor had 36 vacant units or 4.4% of total housing units designated as seasonal (out of a total of 819 housing units). In 2000, there were 69 vacant units or 6.55% that were designated as for seasonal use (out of 1,053 housing units).

The 2000 Census showed that San Juan County has a remarkably high amount of their housing units designated for seasonal, recreational or occasional uses. In 1990, San Juan County had 1,239 vacant housing units used seasonally out of 6,075, or 20.4%. In 2000, 28% or 2,776 housing units were determined to be seasonal in nature. Seasonal housing units only represent 2.5% of all housing units in Washington State, which highlights the immense amount of housing units in San Juan County that are only used seasonally.

Housing by Type

According to the Town of Friday Harbor land use database, in March of 2002, the Town of Friday Harbor had 435 single family residential units and 541 multi-family residential units, bringing the ratio of single family units to 45% and multi-family units to 55%. In 1990, multi-family units only comprised 32% of the Town's residential units, meaning there was a 23% increase in multi-family housing during the last 12 years. In 2001, the Town of Friday Harbor increased the allowable density in multi-family zones from 9 units per acre to 14 units per acre; this density increase will likely lead to higher percentages of multi-family housing in the Town.

According to the Washington Center for Real Estate Research, San Juan County

as a whole, had a total of 8,230 single family houses, and 1,506 multi-family houses in 2000; an 85% to 15% ratio. Based on those figures, approximately one third of all multi-family housing in San Juan County is located in the Town of Friday Harbor. For comparison, the state of Washington's housing inventory in 2000 had a ratio of 66% single family to 34% multi-family housing. As for other forms of housing, there are approximately 73 trailers and 65 liveaboard boats residing in the Town of Friday Harbor.

Housing Conditions

Based on 2000 US Census data, housing conditions in the Town of Friday Harbor are relatively good. There are 144 existing structures that were built before 1939, 84 were built in the 1940's and 1950's, and 88 in the 1960's. During the intense growth of the 1970's 207 structures were built and 163 more were added in the 1980's. Between 1990 and 1994, 160 housing units were built and another 212 were added between 1995 and 2000, for a grand total of 372 housing units built during the 1990s. Out of the 1,058 housing units present during the 2000 census, there were no housing units lacking complete plumbing facilities, and only 5 lacking kitchen facilities. Almost 100% of the units were attached to the Town's water system and public sewer. The primary heating source used was electric heat (80%), with some relying on wood (8.3%) or oil (8.8%).

Home Prices

Home prices have steadily risen in both the Town of Friday Harbor and in San Juan County on the whole. During the period from 1980 to 1990 the median value of an owner occupied home in San Juan County increased from \$87,000 to \$166,400,

an increase of 91.3%. In 1990 the median value of an owner occupied home in San Juan County was \$166,400 and \$178,500 on San Juan Island, with the average statewide being \$93,400. The median value of owner occupied units in Friday Harbor was closer to, but still higher than, the statewide average of \$120,600.

According to U.S. Census 2000 sample data, the median value of a housing unit in the Town of Friday Harbor is \$178,700 and in San Juan County the median value is over \$100,000 more, at \$291,800.

Currently, the median home price for San Juan County ranks second highest in the state of Washington. Between 1995-1998 the average median home sale price remained under \$200,000. However, in 1999 the average median home sale price rose to approximately \$240,000 and has remained in this range ever since. In the third and fourth quarter of 2000, the median home sale price reached \$280,000 and \$300,000 respectively. Since then average median sale price has reduced back into the \$240,000 range.

Affordable Housing

Housing is considered affordable when occupants are spending 30% or less of their gross household income on housing costs. Housing costs for homeowners include mortgage principal and interest, property taxes, property insurance, and utilities. Housing costs for renters are based on rent and utility costs.

The San Juan Islands attract people who value beauty and isolation over the more affordable lifestyle of mainland areas. For many this means they will have to spend more than 30% of their income on housing costs. In 1990, approximately 42% of residents said they spent less than 20% of their gross income on housing and another

24% said they spent between 20%-30%. Unfortunately, 29% believed they were spending over 30% of their household income on housing costs.

Based on 1990 and 2000 US Census data, Figure 4-1 shows the percentage of household income being spent by Town of Friday Harbor residents for housing costs. In 1990, approximately 42% of residents said they spent less than 20% of their gross income on housing, in 2000 this was down to 30% of the population. In 1990, 24% said they spent between 20%-30% of their income on housing and this remained about the same in 2000. In 1990, 29% of households believed they were spending over 30% of their household income on housing costs. Unfortunately, in 2000 41% of households stated they are paying over 30% per month for their household costs. As expected, the increase in home prices has made it more difficult for Town of Friday Harbor residents to find affordable housing

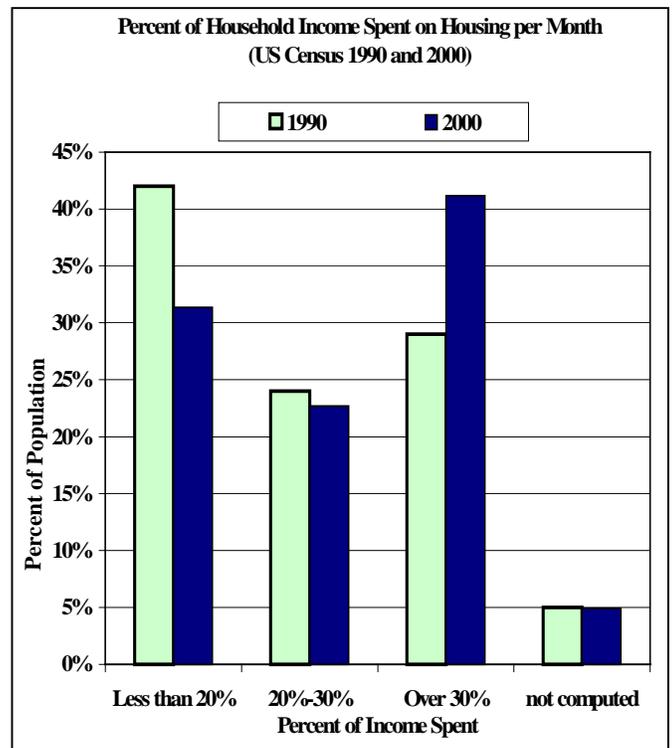


Figure 4-1: Town of Friday Harbor Percent of Income Spent on Monthly Housing

There is a distinct difference between renter and owner monthly housing costs in the Town of Friday Harbor. In 2000, 38% of those who own their homes were spending less than 20% of their income on housing (down from 59% in 1990), 25% were spending between 20%-30% (up from 21% in 1990) and 35% were spending over 30% (up from 20% in 1990). For those renting their homes the percentages are quite different. Only 25% of renters were spending less than 20% of their income on housing costs (down from 30% in 1990), 21% had housing costs between 20%-30% (down from 26% in 1990), and an incredible 47% were spending over what is considered affordable (up from 35% in 1990). Conceivably this means that the Town of Friday Harbor was lacking affordable housing for 47% of its renting residents in 2000.

Publicly Financed Housing

Currently, located in the Town of Friday Harbor are seven multi-family complexes providing publicly financed housing, totaling 140 dwelling units. Two of these complexes provide apartments for individuals 62 years old or above and for those who are disabled. These complexes are Gerard Park (20 units) and Island Meadows (19 units). In March 2002 there were no vacancies at Gerard Park, and there were six people on their waiting list. Island Meadows had three vacancies and no waiting list, which is unusual according to a telephone interview with the manager. The other publicly financed complexes are Friday Harbor Village (25 units), Harbor View (20 units), Islewood (18 units), Rosewood (18 units) and Surina Meadows (20 units). Friday Harbor Village has two units vacant; the others are all full. Besides Gerard Park, there was no waiting list for any of the above units during March of

2002. Table 4-5, shows each complex's rental rates, amount of each size unit, and how many units are given rental assistance or are available for those with HUD assistance.

Table 4-5: Publicly Financed Housing in the Town of Friday Harbor

Complex	1 bdrm Units	2 bdrm Units	3 bdrm Units	4 bdrm Units	Rental Assist Units	HUD
*Island Meadows <i>Rent</i>	17 \$390- \$576	2 \$425- \$607	0	0	5 30% of income	5
*Gerard Park <i>Rent</i>	18 <i>Base</i> \$412	2 <i>Base</i> \$470	0	0	16 30% of income	0
F.H. Village <i>Rent</i>	0	7 \$650	12 \$750	6 \$810	3 30% of income	2
Harbor View <i>Rent</i>	12 \$448- \$676	8 \$465- \$717	0	0	6 30% of income	3
Islewood <i>Rent</i>	8 \$436- \$631	10 \$473- \$662	0	0	5 30% of income	1
Surina Meadows <i>Rent</i>	4 \$420- \$665	14 \$478- \$740	2 \$535- \$810	0	20 30% of income	0
Rosewood <i>Rent</i>	4 \$475- \$675	10 \$520- \$730	4 \$580- \$830	0	18 30% of income	0
<i>*Apartments for those 62+ or disabled</i>						

Some of the publicly financed projects in the Town of Friday Harbor were constructed under the FmHA Section 15 program. This program lends money at low interest rates to developers who, in turn, agree to rent the apartments at specified below-market rates for at least twenty years. Each apartment is assigned a base rate, which are based on construction and maintenance costs of the building and apartment size. Actual rent depends on whether the apartment is rental-assisted. For rental-assisted units, if the base rent is greater than 30% of annual gross income (AGI) the tenant will pay only 30% of their

AGI for rent. The difference between that amount and the base rent is paid to the landlord through a subsidy program. For non-rental assisted units, actual rent is either the base rate or 30% of the AGI, whichever is higher.

Income qualifications are established in two ways, depending on whether the project developer received tax credits as part of the project financing. If the project developer received tax credits, the renter's household income must fall under specified levels depending on household size. If the developer did not receive tax credits, the income limit is set differently. Tax credits were granted to all of the Friday Harbor projects except Harbor View.

Table 4-6 shows the 2002 income limits currently being used to qualify individuals for rental of a publicly financed unit. These income limits are based on County median family income.

Table 4-6: 2002 Income Limits for San Juan County - Based on Median Family Income of \$58,700

2002 Income limits for San Juan County		
Household size	Very Low Income below 50% of median	Low Income 50%-80% of median
1 person	\$20,550	\$32,850
2 person	\$23,500	\$37,550
3 person	\$26,400	\$42,250
4 person	\$29,350	\$46,950
5 person	\$31,700	\$50,700
6 person	\$34,050	\$54,450
7 person	\$36,400	\$58,250
8 person	\$38,750	\$62,000

Source: US Dept. of Housing and Urban Dev. (HUD)

For most of the publicly financed units in the Town of Friday Harbor an applicant's income must be less than 60% of the median family income determined for the County. Currently, a family of four's total income must be below \$35,220 to qualify to live in most of the aforementioned

housing complexes. Once they qualify, then their monthly rent is determined based on their annual gross income. For most of the units, if a renter begins to earn more than 60% of the median family income, they will be forced to move out of their apartment.

Other rental housing

The Town of Friday Harbor has numerous other multi-family housing units available, many of which are relatively affordable. According to the planning staff of the Town of Friday Harbor, there are approximately 261 units, besides the rent-controlled apartments, which are considered affordable. There are another 93 multi-family units that are higher priced. Available rentals in the paper in February/March 2002 range in price from \$500 to \$1,100 for various sizes and locations. Of the few single family residences located in town and advertised in the paper, the monthly rental prices ranged from \$800 for a 1-bedroom, to \$1,100 for a 3 bedroom all the way up to \$1,500 for a 3 bedroom waterfront home.

Based on the 2000 U.S. Census base rent in the Town of Friday Harbor is reported to be \$601 dollars a month, and for the County base rent is \$607 dollars.



Population Projections

Based on the Town of Friday Harbor’s adopted 1.4% annual rate of growth, population is projected to increase from 2,020 people to 2,196 in 2007. Table 4-7 outlines the Town’s projected population increase, at five-year intervals. In 2012, the Town population may reach 2,354 people, and by 2017, 2,523. In 2022, the Town's population is projected to have 2,705 residents.

Table 4-7: Town of Friday Harbor Population Projections based on Adopted Growth Rate of 1.4%

FRIDAY HARBOR	
YEAR	1.4% rate*
2001	2,020
2002	2,048
2007	2,196
2012	2,354
2017	2,523
2022	2,705

Residential Unit Capacity

Table 4-8 describes the maximum amount of residential dwelling unit development available in the Town of Friday Harbor. This was calculated at current density levels and zone boundaries, including infill of underdeveloped areas. There is a potential for 551 more dwelling units in the single-family zone and potential for 1,023 more units in the multi-family residential zone. Within other zones, there is potential for another 79 residential units, bringing the total potential additional residential units to 1,653 units. Given the current average household size of 2.13 individuals per housing unit, the maximum population of the Town with current density allowances and zoning boundaries would be 5,600 people. Maximum density with

current zoning designations will result in a total of 955 single-family units, 1,512 multi-family residences, and 162 additional housing units in other zones.

Table 4-8: Town of Friday Harbor Maximum Residential Dwelling Unit Development with Infill

Zone	Existing Dwelling Units	Maximum additional Units
Single Family Residential	404	551
Multi-Family Residential	489	1,023
Professional Service	33	24
Commercial	35	30
Light Manufacturing	2	13
Light Industrial	2	12
Shoreline Accommodation	11	0
Total Existing Dwelling Units	976	
Maximum Residential Units given current density and zoning		1,653
Projected population @ 2.13 individuals per dwelling unit		5,600

Projected Twenty-year Housing Demand

According to the data presented in the 2002 Housing Study (not yet adopted) there is a projected demand for 295 more residential units in the next 20 years. Table 4-9, shows there is a need for 138 residential units in the single family zone, 114 units in the multi-family zone, and 50 more units in the other zones. The projected demand was determined by multiplying the current inventory by the Town of Friday Harbor’s adopted growth rate (1.4%), divided by the average household size of 2.13 and calculated for 20 years. Calculations were based on the current inventory of units within each zone; therefore the potential demand is also described as such.

Table 4-9: 20-Year Demand for Housing in the Town of Friday Harbor

Zone	Potential Demand
Single Family Residential	138 units
Multi-Family Residential	114 units
Professional Service	20 units
Commercial	21 units
Light Manufacturing	1 unit
Light Industrial	1 unit
Shoreline Accommodation	7 units
Potential 20 yr. Demand for Residential Units	295 Units

Housing Needs and Capacity

Based on the information provided in the 2002 Housing Report, Table 4-10 summarizes the Town of Friday Harbor’s maximum capacity for residential unit. Table 4-10 also provides an estimate of the amount of housing units that will need to be affordable based on a 64% need (1996 Town of Friday Harbor Income Study).

There is capacity to accommodate 1,653 more housing units within the current Town limits. Of these total units, 1,058 will be needed for very low and low income residents. The Town is projected to need 295 housing units within the next 20 years, and of those 189 will need to be affordable.

According to the 2002 Housing Report, the Town can easily accommodate its own 20 year projected residential unit needs within the current zones and density allowances. Only 6.3 acres, out of the 43 vacant acres, in the multi-family residential zones will be needed to produce 30% of the 295 units needed. 52 acres, out of the 135 vacant acres, in the single-family zone will be needed to fulfill the need for 70% of the 295 units.

Table 4-10: Summary of Friday Harbor’s Residential Unit Growth Capacity and Need for Affordable Housing Units

Summary of Town of Friday Harbor’s Growth Capacity	
Maximum Development Capacity	1,653 Units
<i>Percent that need to be affordable</i>	1,058 Units
20 Year Demand	295 Units
<i>Percent that need to be affordable</i>	189 Units
Potential Residual Capacity	1,358 Units
<i>Percent that need to be affordable</i>	869 Units
<i>% Affordable needed found by multiplying by 64% Results of the 1996 Income and Wage Study</i>	

Housing Goals

HO-1 Provide for a wide range of housing types and densities to meet the housing needs of a diverse population and provide affordable housing choices for all incomes.

HO-2 Provide an adequate supply of land in order to promote housing costs that are affordable.

Housing Policies

HO-1 Preserve existing housing by using development regulations to minimize the pressure for conversion of residential to non-residential uses.

HO-2 Promote a variety of means for developing new affordable housing including infill, redevelopment and new development.

HO-3 Work cooperatively with San Juan County to address the need for affordable housing on San Juan Island.

HO-4 Assure that the Town of Friday Harbor retains its residential character by

maintaining the current ratio of 70% single family dwelling units to 30% multifamily dwelling units.

Housing Need

HO-8 When considering affordable housing Friday Harbor must acknowledge that its utilities, public services and resources may cost more than in mainland communities.

HO-9 Friday Harbor and San Juan County should jointly develop and maintain a database of housing information.

Land Supply

HO-10 In order to promote an adequate supply of urban land for housing, offset rising housing costs, and promote housing affordability, the Friday Harbor Urban Growth Area should be of sufficient size to accommodate population growth that is 20% greater than projected.

HO-11 In order to promote affordability of new housing, Friday Harbor should review its rates of residential land absorption and supply of available residential land every year.

Preservation

HO-12 In accordance with the policies of the Land Use Element, Friday Harbor should discourage the conversion of residential areas to non-residential uses.

HO-13 Recognizing the constraints of overall budget and revenues, Friday Harbor should commit capital improvement revenue to maintain and improve capital facilities in existing residential neighborhoods.

Local Government Initiatives

HO-14 Friday Harbor should encourage San Juan County in establishing a Housing Resource Center to function as an information clearinghouse and non-profit development agency to coordinate the development of affordable housing and related activities.

HO-15 Because of its significant role in providing affordable housing in San Juan County, the Town of Friday Harbor should be represented on the San Juan Housing Advisory Board.

HO-16 Friday Harbor's role in providing affordable housing should be to facilitate and encourage non-profit and for-profit housing development and financing initiatives, rather than assuming direct responsibility for housing development.