



San Juan Community Home Trust

Community Preservation Through Forever Affordable Homes

NOVEMBER 2008

THE COMMUNITY HOME TRUST ANSWERS THE TOUGH QUESTIONS ABOUT ANNEXATION:

A public hearing will be held on Thursday, November 20th, for the Town Council to hear what island citizens think about the proposed annexation of the Buck/Boreen property, a portion of which is slated to be used for the construction of permanently affordable homes by the San Juan Community Home Trust. Because islanders have been asking important questions about whether this annexation makes sense for the Town, the Home Trust has compiled the following to address these questions.

We hope you will find this information helpful, and that you will plan to attend the hearing, which is scheduled for November 20th, 5:30 p.m. at the Grange Hall.

Q. Does our community really need affordable home ownership?

A. YES. School enrollment continues to drop because young families can not afford to live here. We are importing more and more labor, which exports dollars off-island. Consider the benefits of having a work force invested in the community, and how much more likely it is that they'll become active participants in our organizations and events. Imported labor goes home. And would you want to live someplace where you were pretty certain that you would never have the chance to own your own home? The Home Trust believes that hard-working people should be able to afford housing and still have enough money to pay for groceries and other basic necessities. We are planning a variety of attractive homes with an average price of \$145,000 or less, allowing a diversified range of people to make a long-term commitment to our community.

Q. Aren't there plenty of homes on the market now that are available to buy?

A. None that are affordable to island workers earning average wages. Our qualified home-buyers could not afford ANY of the homes now on the market, even those at the lowest price of around \$300,000.

Q. Why should the Town of Friday Harbor be party to a deal like this that will directly benefit members of the Buck/Boreen family?

A. It is true that the Buck and Boreen families will likely make money from developing their land, although with the economy as it is now, they are actually taking a risk in terms of both their ability to ultimately sell the residential lots created, and the high cost of extending utilities into the property. Robert F. Buck owned the land now referred to as the Buck/Boreen parcel for over 57 years. His three children jointly inherited the parcel and currently own the land together. They've agreed to sell one-third of their property at a below-market rate in order to help create a neighborhood with forever affordable homes, as well as provide a public trail through the property and dedicate another five acres for open space and wildlife corridors. This is truly a "win-win-win" situation: the Bucks and Boreens win, because they will receive the benefit of having their land annexed by the Town; the citizens of San Juan Island win because 15.5 acres of land will be forever dedicated to affordable home ownership; and the Home Trust wins because this amount of land will keep the supply of permanently affordable homes growing for decades to come.

Q. Is there any precedent for this kind of annexation?

A. The Town has expanded its boundaries 11 times during its history. Four major annexations occurred in the last 30 years for residential development, with Fox Hall being almost identical in size (47 acres). The 46.5-acre parcel that is currently under discussion is already surrounded by the Town boundaries on three sides and looks like a missing jigsaw puzzle piece that has been excluded from the Town.

Q. Is it true that the Buck/Boreen annexation will cost Town residents an additional \$53 million for infrastructure improvements: sewers, water pipes, stormwater systems, roads, etc.?

A. No. The \$53 million price tag refers to the much larger (243 acres) area that the County chose to have studied in its infrastructure report. A public discussion of whether the Town can or should grow this much (doubling its population in 20 years) has not yet begun. Last year the Town did designate the Buck/Boreen parcel as appropriate for future urban growth, contingent upon costs. Now the Town has completed its own study of this specific parcel, and found that no major upgrades to the town's utilities (such as raising the dam at Trout Lake) will be triggered by development of the 46.5 acre Buck/Boreen parcel.

Q. Who will pay the cost of infrastructure in the Buck/Boreen property annexation?

A. The Home Trust will pay for the installation costs of infrastructure on the 15.5 acres that is dedicated to affordable housing; the Bucks and Boreens will pay the costs of infrastructure on the remaining 31 acres that they intend to develop. The Home Trust has already secured over \$2 million in grant funding and private contributions to pay for the extension of utilities into its new neighborhood, sparing taxpayers from having to provide ANY of the development costs for this new neighborhood.

Q. Will annexation of the Buck/Boreen property force utility rates to go even higher for Friday Harbor citizens?

A. Town residents have seen their utility rates go up consistently year after year, along with costs for just about everything else. Utility rates are likely to keep increasing, whether or not this proposed annexation happens. The key question here is whether the annexation will make utility rates go up even more than they would have otherwise, and the answer to that is no. Currently the Town bills each property-owner on a pro rata share basis, meaning that the more people there are in the Town, the bigger base there is to spread the cost over. And future needs to increase utility rates should be off-set, at least in part, by the Town's increased revenues from the building permit and utility hook-up fees that will be realized from the build-out of the Buck/Boreen property.

Q. What about studies showing that residential development always costs more than it collects in tax revenues?

A. Cost of services studies often conclude that residential development requires more services than farmland, with the largest expenditures going towards public school systems. Since Friday Harbor schools are actually declining in enrollment, new residential growth could actually benefit the schools. Furthermore, since Home Trust residents are already living on the island (we have a three-year residency requirement), they are already being provided with these services.

Q. Why isn't it possible for the Town to annex only the small portion of the Buck/Boreen property that is planned for affordable housing?

A. The Buck siblings who own the land under discussion have offered one third of their land for forever affordable housing on the condition that the entire parcel be annexed by the Town. This annexation makes it financially feasible for them to sell the affordable housing portion at a price that is significantly below market value.

Q. *There are still empty lots in Friday Harbor. Why not build on those instead of annexing more land?*

A. In order to keep our costs down, we need to be able to buy land at rates that are below market value. The Home Trust spent several years researching every available lot in town, and none were priced to help create forever affordable homeownership. No land is available for anywhere remotely close to the value we've secured with this parcel. Just as importantly, this particular property is being purchased by a supporter who is donating it to the Home Trust, and it is more beautiful and varied than any of the current lots in town. We're really excited about working with the Bucks and Boreens to create this wonderful new neighborhood of mixed income homes.

Q. *Isn't the donor going to make a lot of money from the donation?*

A. No. The major donor who will purchase the property from the Bucks and Boreens has worked with the Home Trust to come up with a strategy enabling the Home Trust to pay nothing for the land. Because annexations always convey an increase in the value of the land, the donor intends to pass that increased value on to the Home Trust through additional charitable contributions.

Q. *Are the Buck/Boreens and the Home Trust really planning to build 250 homes? Why so many?*

A. The number of homes being discussed and shown on the preliminary site plan is the potential maximum build-out. These homes will not be built all at once. The Home Trust plans to build 14 units in its first phase, with more to follow as the need and State grant funding allows. The Town of Friday Harbor staff asked us to commit to building 120 permanently affordable homes, because that is the Town's estimated need over the next 20 years. The Bucks and Boreens are also planning to phase development on their portion of the property over 20 years.

Q. *There are vacancies at low rent apartments in town. Aren't these sufficient to meet our affordable housing needs?*

A. The Home Trust is in the business of providing forever affordable homes. The low-rent apartments often serve as temporary rentals for the people living there. Individuals or families wanting to settle down typically look elsewhere for a place they can call "home" over the longer term. It has been demonstrated that home ownership increases the chance of a child's success in school, by providing stability. Our neighborhoods create an opportunity for people interested in making a long-term commitment to the island; who want to put down roots, raise their children here, and otherwise contribute to our community.

Q. *If the Town Council were to decide not to move ahead with this particular project, are there any other viable alternatives for affordable housing?*

A. If the annexation is not approved, this opportunity will be lost forever. The Home Trust has worked for well over two years to shape this proposal, including securing the land and the funding (over \$4 million total) to construct the infrastructure and build the initial 14 permanently affordable homes. Because the entire project is dependent upon this annexation happening, a "no" vote will effectively kill the project, forcing the Home Trust to refund all the donations it has collected for this project and to decline to accept the State grants of \$1,125,000 that have been awarded. We need the Town Council to show leadership in stepping up to the challenge of sustaining our island's health and stability over the long term.

HOME TRUST MISSION

The San Juan Community Home Trust creates permanently affordable housing for low- and moderate-income island residents, promotes economic diversity and development, and supports a sustainable island community while practicing responsible stewardship of our rural environment.

www.hometrusted.org



San Juan Community Home Trust

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ANNEXATION PUBLIC HEARING

**GRANGE HALL
NOVEMBER 20TH at 5:30 PM**

You can support our efforts by speaking at the hearing, explaining why this project is so important, or you can write a letter to the Town Council expressing your support. Letters should be sent to: Friday Harbor Town Council, P.O. Box 219, or e-mailed to: towncouncil@fridayharbor.org.

Key points about this project are that it will:

- Dedicate 15.5 acres for permanently affordable homes
- Expand the Town where growth should occur (in an Urban Growth Area)
- Utilize the \$1,125,000 in state grants that have been awarded for this project
- Create a new, well-planned residential neighborhood
- Use low impact development to conserve water and energy

- Spread the costs of maintaining town infrastructure among more taxpayers
- Help maintain a stable population of children living on the island, easing the burden on our financially strapped public school system
- Create housing for a variety of income levels, from those in need of housing subsidies housing to those who can afford to pay market rates
- Provide phased-in development over 10 to 20 years
- Provide public pedestrian access from town to nearby park and beaches
- Create a native landscape protection area
- Contribute to a strong local economy by housing working islanders here, rather than exporting dollars for imported labor from the mainland.

With your help, we can succeed in these efforts and strengthen our community for years to come!