At the beginning of 2011, construction of the 14 new homes at Sun Rise Phase 1 was nearly done. Yet the main ingredients for a new neighborhood, people, had to wait a few more months for some critical challenges to be met. The two biggest tests were the State having to approve the permit for the new on-site sewer system, and USDA approving the condominium documents prior to accepting applications for mortgage loans. The sewer was approved in mid-March, and USDA gave their stamp of approval to all the condo documents in May.

In May, the first two homes in Sun Rise closed, both privately financed. Within a month, four more units closed, including the first USDA loans to come through. As of this writing, 12 of the 14 homes have Purchase and Sale Agreements. Nine units have closed, and financing is in process on three more. Two units are still available, a 1-bedroom and a 3-bedroom home. Everyone now living in Sun Rise is eager for the neighborhood to be fully occupied, and to know the personalities of those who will complete the texture of this “village within a village”.

On nice days, Sun Rise is alive with the sound of children playing. This is music to the ears of those who’ve worked to bring this new neighborhood to life and create a neighborhood where young families can sink roots. There are 8 children kindergarten aged or younger, and four “older” kids (up to age 13). The first baby born to a family after moving into Sun Rise was on October 18: Given Eisenhardt, son of Eric and Danielle.

Their parents include construction workers, landscapers, health administrators, an administrator for a camp, another for a resort, a self-employed cosmetologist, an employee of the Town, a waitress, and several homemakers.

Sun Rise is a mixed-age community, so there are also a number of “older” folks living there, too (older than young parents, anyway!) These include a healthcare practitioner, landscaper, retired forester and community volunteer, and a grocery store clerk. Together, they share this new community, that includes a beautiful courtyard, a parking lot and community storage building, landscaping, rain-gardens, and a stainless steel BBQ grill. Keith Keyser represents Sun Rise residents on the Home Trust Board of Directors.
Living Machine Wastewater System

In addition to creating a new Sun Rise neighborhood, the Home Trust has become half owner of an amazing new type of sewer system! The Living Machine, when fully permitted, will recycle and purify the wastewater coming from Sun Rise, and allow it to be reused in toilets and landscaping.

The water is purified by a system that emulates tidal flow, rising and falling within different cells, which are planted with a variety of wetland plants. The clean water will be pumped back up the hill to the homes from the system off of turn Point Road. The homes are already plumbed to reuse the water. At present, a drain-field is dispersing the wastewater, but after the State of Washington is satisfied that the wastewater is treated to a tertiary level, the switches will be turned on, to reuse the water. Testing will begin at 85% occupancy, and an additional $40,000 to complete all the testing is the current fundraising target.

This innovative system does not have an outfall, like most sewer systems, which empties wastewater into Puget Sound. And, it is expected to reduce potable water use by homeowners by as much as 75%! The closest system similar to this one is in the Portland airport, with half of the planted wetland cells inside the terminal building. This system will also serve any additional development on the property, that was annexed in 2009 by members of the Buck family.
Salal Neighborhood Thrives

Salal has continued to thrive as a peaceful neighborhood, with a full complement of owners.

An especially proud moment occurred in June this year when three college students from Salal all achieved placement on the Dean’s List at their respective universities! Their success affirms research that children from stable homes do better in school.

One resale took place in Salal in 2011, when Janis DeBardi purchased Carrie Lacher’s house on 3/17/2011. The sale price, determined by the Home Trust’s resale formula, was $138,750. Carrie had originally purchased the home in 2005 for $125,000. Janis is thrilled to be a homeowner and is often seen with her young granddaughter, who also lives on San Juan Island. Janis works as health care professional at the Life Care Center in Friday Harbor.

Currently, two homes in Salal are just coming onto the market. A three-bedroom, 2-bath home with a fenced yard is for sale, and a two bedroom unit that belonged to our blind homeowner, Cate McKee. Sadly, Cate passed away at the Life Care Center after a long struggle with diabetes, on October 4, 2011. Her son, who lives in Seattle, is selling the home. Cate was very grateful to have her home in Salal the last five years of her life, never failing to express her appreciation to all.

Salal homeowners Dina Melic and Molly Hogan are on the Home Trust Board of Directors. Molly also cooked up a fundraising activity for the Home Trust by marketing “Housing Crunch” granola. She has been selling her blue-ribbon granola (shown below) at local markets for nearly two years now! The first year, all profits were donated to the Home Trust. Then Molly formed a new business, “Granola Girls” with local caterer Cynthia Burke, a percent of the profits is continuing to be donated to the Home Trust.
2010 Abbreviated Financial Reports
From Statement of Activities

Revenue

<table>
<thead>
<tr>
<th>Total 2010 Revenue</th>
<th>$1,787,932</th>
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<tbody>
<tr>
<td>Grants For Construction</td>
<td>$1,267,630</td>
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<tr>
<td>Memberships &amp; Contributions</td>
<td>$113,839</td>
</tr>
<tr>
<td>Program Fees*</td>
<td>$50,811</td>
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<tr>
<td>Released Donor Funds**</td>
<td>$339,105</td>
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</table>

Cash Flow

<table>
<thead>
<tr>
<th>2010 Cash Flow</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Construction</td>
<td>-$4,190,177</td>
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<tr>
<td>Additional Borrowing</td>
<td>$2,316,019</td>
</tr>
<tr>
<td>Increase In Net Assets</td>
<td>$1,284,623</td>
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<tr>
<td>Net Cash Provided</td>
<td>$2,544,479</td>
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Operating Expenses

<table>
<thead>
<tr>
<th>2010 Operating Expenses</th>
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</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$110,411</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$13,984</td>
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<tr>
<td>Administration</td>
<td>$59,309</td>
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<tr>
<td>Total Operating Expenses</td>
<td>$183,704</td>
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* Funds collected from application and sales fees, Salal maintenance fees.

**Donor Funds that were restricted to the construction of Sun Rise Phase I.

A full financial audit prepared by Sanders & Sanders, CPAs, is on file at the Home Trust office.
In Appreciation

The following individuals and organizations generously donated funds and services in 2011. Thank you for your continuing support!
From Executive Director Nancy DeVaux

Looking to the Future

The Home Trust has made an amazing impact by securing land for the future construction of permanently affordable homes in Friday Harbor. The construction of 14 new homes in Phase One of Sun Rise condominium is just the beginning of a long term plan that allows for the development of another 106 homes, all within the area that was annexed in 2009. Land and infrastructure have both been secured with the construction of the new Living Machine on-site sewer system.

Admittedly, the economic downturn has caused challenges for the Home Trust. These challenges are in areas of private fundraising and obtaining State grants— as well as in the shaky confidence of potential homebuyers when it comes to making a commitment to a mortgage, and to staying on the island.

On the other hand, the unstable economy underscores the need for the Home Trust! CLTs across the country have performed well, with a foreclosure rate far below market rate homes. With fewer subsidies available now, retaining those subsidies and paying them forward, to future homeowners, makes more sense than ever. This is the key to permanent affordability.

Our homeowners – those who have obtained an affordable home - can sink roots in the community, adding value for us all through their work and volunteer commitments. Affordable mortgages can also influence asset creation in other areas, including self-employment and business start-ups. The vibrancy of our community is greatly enhanced by our CLT homeowners!

Nancy DeVaux

San Juan County Statistics
(from the 2010 Census)

**Population**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number</th>
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<tbody>
<tr>
<td>Males</td>
<td>7,665</td>
</tr>
<tr>
<td>Females</td>
<td>8,104</td>
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<tr>
<td>Total</td>
<td>15,769</td>
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**Median age:** 52.5 years

**Households**

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
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</thead>
<tbody>
<tr>
<td>Total number of houses:</td>
<td>13,313</td>
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<tr>
<td>Occupied households</td>
<td>7,613</td>
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<tr>
<td>Owner occupied</td>
<td>5,360</td>
</tr>
<tr>
<td>Renter occupied</td>
<td>2,253</td>
</tr>
<tr>
<td>Vacant (or not primary) homes</td>
<td>5,700</td>
</tr>
</tbody>
</table>

**Size of households**

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>2,588</td>
</tr>
<tr>
<td>2 person</td>
<td>3,344</td>
</tr>
<tr>
<td>3 person</td>
<td>829</td>
</tr>
<tr>
<td>4 person</td>
<td>566</td>
</tr>
<tr>
<td>5 person</td>
<td>190</td>
</tr>
<tr>
<td>6 person</td>
<td>74</td>
</tr>
</tbody>
</table>

**Income Data for a Family of 4**

(2011 figures from HUD)

- 100% Area Median* Income (AMI)    $65,000  
- 80% AMI (low income)             $52,000  
- 60% AMI (very low income)        $32,000  

*Federal Poverty level $22,356

**Note on Poverty:**

The U.S. Census Bureau estimates that there were over 1,444 people living at/or below 100% of the federal poverty level in San Juan County in 2009 (the last year that estimates are available). That constitutes 9.5% of the county’s estimated population. Washington State, by comparison, has 11.8% of the overall population.
### Salal Neighborhood

**The Salal Neighborhood, at 415 Carter Avenue in Friday Harbor, was completed in 2006.**

**Property Size:** 2.4 acres  
**Units:** 15 single family homes  
2 & 3-bedroom homes  
from 1100 to 1300 sq. ft.  

**Prices:**  
2004 sales prices  
$113,000 - $125,000  
*(Phase I - 10 homes)*  

2006 sales prices  
$125,000 - $136,000  
*(Phase II - 5 homes)*

The two-story detached homes are arranged in three clusters of five homes. Each cluster has a common area with stone steps, fruit trees, and a picnic table. Parking is located across the driveway from the homes. The neighborhood is right behind the public library, just a few blocks from the middle and high schools, and walking distance to the town center, shopping, and the ferry landing.

### Sun Rise Phase I

**Sun Rise Phase 1, at 473 Grover Street in Friday Harbor, was completed in 2011**

**Property Size:** One-third of a 5.1 acre parcel was developed in Phase I.

**Units & 2011 Sales Prices:**  
14 homes as condominiums  
Sized from 760 to 1400 sq. ft.  

Four 1-bedroom @ $130,000  
Two 2-bedroom @ $155,000  
Six 3-bedroom @ $180,000  
Two 4-bedroom @ $190,000

The one and two-story duplexes and triplexes, are stick built homes arranged around a beautifully landscaped courtyard with a circular walkway. There is a community parking lot with a community storage building.

It is only a few blocks from the elementary school, and easy walking distance to the town center and ferry landing.

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**2010 Board of Directors**

Sharon Pigman — President  
Charles Richardson — Vice President  
Laura Tuttle — Treasurer  
Joyce Stimpson — Secretary  
Peter Kilpatrick  
Sam Buck  
Molly Hogan  
Mary Ellen Courtney  
Keith Keyser  
Dina Melic  

Board Members Emeritus  
Dr. Larry Soll  
Roger Salquist  
Lee Sturdivant  
Jim Lawrence

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email: info@hometrust.org  
www.hometrust.org
Our 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.