Go with the second option of the two.
Make the boxes containing text fully opaque for readability
Have the website scroll instead of being separate pages and the nav stuff at the top brings you to the part of the page you want
You don't have to use exclusively illustrations for the dogs, but use photos after as well
Have a part of your nav bar be some kind of home button that brings you back to the top

The colors are great, the style is wonderful.