




**San Juan County  
Community Development & Planning**

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DATE: March 6, 2009

**Staff Report**

TO: SAN JUAN COUNTY COUNCIL  
THRU: PETE ROSE, COUNTY ADMINISTRATOR   
FROM: COLIN MAYCOCK, AICP, SENIOR PLANNER  
SUBJECT: SAN JUAN COUNTY HOUSING NEEDS ASSESSMENT,  
DRAFT COMPREHENSIVE PLAN ELEMENT 5, HOUSING  
AND AMENDING APPENDIX 1, POPULATION, TO  
ALLOCATE 50% OF SAN JUAN ISLAND'S POPULATION  
GROWTH TO THE TOWN AND FRIDAY HARBOR UGA.

MEETING DATE: MARCH 24, 2009

ISSUE:

To review and take comments on the proposed Housing Needs Assessment (Appendix 5) and the proposed Comprehensive Plan, Section B, Element 5 (Housing Element) and to review and take comments on an amendment to Appendix 1, Population, that allocates 50% of San Juan Island's population growth to the Town and Friday Harbor UGA.

STAFF RECOMMENDATION:

Staff recommends approval.

BACKGROUND:

RCW 36.70A.070 (2) details the mandatory requirements of the Comprehensive Plan Housing Element. This regulation states that in order to be compliant the Housing Element:

- (2) A housing element ensuring the vitality and character of established residential neighborhoods that: (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth; (b) includes a

statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences; (c) identifies sufficient land for housing, including, but not limited to, government assisted housing, housing for low-income families, manufactured housing, multifamily housing and group homes and foster care facilities; and (d) makes adequate provisions for existing and projected needs of all economic segments of the community.

WAC 365-195-310 (1) details the required features of the Comprehensive Plan Housing Element:

- a. An inventory and analysis of existing and projected housing needs.
- b. A statement of the goals, policies, and objectives for the preservation, improvement and development of housing.
- c. Identification of sufficient land for housing, including but not limited to, government-assisted housing, housing for low income families, manufactured housing, multifamily housing and group homes and foster care facilities.
- d. Adequate provisions for existing and projected housing needs of all economic segments of the community.

Both RCW and WAC clearly state the features that the housing element requires to be considered compliant with the Growth Management Act. The question then becomes whether or not draft comprehensive plan element and associated housing needs assessment actually meet those requirements. Following that, there is a further consideration of what may be added to either to increase the Housing Assessment's veracity and the policy aspects of the Housing Element itself.

The Housing Needs Assessment is a lengthy document, for the sake of brevity, the most important aspects will be addressed in point form below.

- 2,969 housing units will be needed to meet the 2025 projected population growth.
- If the job to population ratio remains the same, then in 2025 there will be a shortage of approximately 3,500 people of working age to fill the expected positions.
- Approximately 1,095 housing units will cease providing shelter to currently working households due to retirement over the planning period.

- To house the 11,257 workers filling the county's jobs in 2025 a further 2,689 units will need to be built.
- Census 2000 notes that only 7.5% of the County's housing stock is multifamily while the state average is 25.6%.
- Housing in San Juan County is the least affordable in the State.
- The average wage in San Juan County is approximately 30% lower than the mainland equivalent.
- The issue isn't that there are too few housing units in the county, quite the contrary. There are sufficient units in the county already to meet the demand beyond 2025, however, the majority of the population can't afford to either buy or rent them and many are occasionally utilized 2<sup>nd</sup> homes.
- The presence of a large number of 2<sup>nd</sup> homes does not place a downward pressure on either rents or prices, generally it raises them if only because the local market becomes distorted by the influence of economic actors not constrained by the local economy and thus are able to offer much larger bids than local wage and salary earners.

#### ANALYSIS:

The draft housing element contains a summary of existing and potential housing needs on page 1 in table 5-B which shows the current number of households within the county that fall within the different income groups and the number of households that are projected to fall within those segments and also the number of units necessary to meet the projected growth. This table and attendant text meet the requirements of 36.70A.070 (2) (a) and WAC 365.195.310 (1) a.

Sections 5.2, 5.2.A and 5.2.B of the Comprehensive Plan Housing Element contain both the goal statements and the policies for meeting the stated goals for housing in general and affordable housing in particular. These meet the requirements of 36.70A.070 (2) (b) and WAC 365.195.310 (1) b.

The section titled Available Land for Housing along with complementary sections, Available Land in Rural Areas and Available in Urban Growth Areas on shows that there is sufficient land to meet the requirements of 36.70A.070 (2) (c) and WAC 365.195.310 (1) c.

The final requirement of the WAC and the RCW 36.70A.070 2 is a little harder to point to. The difficulty primarily arises from the language of this requirement and pivots upon the meaning of the phrase 'adequate provision.'

The question regarding the appropriate interpretation of the 'adequate provision' clause has been brought to the Growth Board before. The Growth Board has consistently ruled that to fulfill the 'adequate provision' clause an administrative unit need only to ensure that there were no regulations in place to prohibit the development of housing appropriate to a wide variety of social groups. That is to say, for example, while group homes are not allowed in every land use district in the county, (Rural Industrial, Natural and Conservancy districts prohibit their development), they are allowed most anywhere else, provided they meet the necessary requirements. So instead of the actual construction of group homes, this regulatory allowance constitutes 'adequate provision' under the GMA.

The Western Washington Growth Board was following precisely this logic when it ruled in Case #05-2-0022c, June 20, 2006 that San Juan County had "addressed the need for affordable housing in its planning for the Eastsound UGA. The County's analysis of housing demand considered the needs of lower income residents and the County has provided density bonuses to encourage affordable housing with the UGA. These efforts show appropriate consideration of the GMA housing goal, RCW 36.70A.020(4)."<sup>1</sup>

In this sense then, it is clear that, when taken as a whole, the proposed housing element will meet the requirements of 36.70A.070 (2) (d) and WAC 365.195.310 (1) d.

Following the meetings in January and February, the Comprehensive Plan Housing Element has been updated to include goals and policies suggested by both the public and planning commission.

## **APPENDIX 1, POPULATION UPDATE**

Although not solely concerned with housing, this amendment is being heard alongside the housing element update because ultimately the allocation of population to UGA's in the Comprehensive Plan will affect the size of UGA's because their size is tied directly to the population growth.

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<sup>1</sup> Compliance Order/Final Decision and Order, Case Nos. 05-2-0019c,02-2-0008,05-2-0022c, P. 29.

BACKGROUND:

This item arises in conjunction with the Hearings Board compliance order for Case No. 08-02-006 involving both the housing and land use (population) elements of the County comprehensive Plan. Compliance is due by March 31, 2009.

In 2005 the County adopted Ordinance 15 amending Appendix 1 updating population projections from 2005 to 2025, the twenty year planning horizon. While the plan assigned 50 % of the new growth on Orcas Island and Lopez Island to Eastsound and Lopez Village respectively, it assigned a much smaller percentage of growth to the Town of Friday Harbor, 29%. The proposed change increases the percentage to 50%, which is consistent with the goal of GMA to encourage more of the new growth in urban areas.

The changes in Appendix 1 can be found on page 5 & 8 and in Table 8 on page 7.

DISCUSSION:

For planning purposes the County has adopted the Washington State Office of Financial Management (OFM) mid-range population forecast of growth which projects about a 2.2% increase in population per year. Based on this projection the County is expected to grow from 15,500 in 2005 to 22,534 in 2025. San Juan Island's population is projected to increase from 7,364 to 10,706 over the same period.

Increasing the percentage of new population expected to locate in the Town from 29% to 50% will decrease the growth in the unincorporated area and increase the growth in Friday Harbor. Following are the proposed changes which are shown in Table 8, page 7.

		2010	2015	2020	2025
SJI unincorporated	Adopted	5,825	6,448	7,023	7,580
	Proposed	5,645	6,085	6,491	6,885
Friday Harbor	Adopted	2,404	2,659	2,896	3,126
	Proposed	2,582	3,022	3,428	3,821

The benefits of focusing growth in the urban areas can:

- reduce impacts on the rural environment and reduce the amount of rural land lost to development. By way of illustration, if 702 individuals with a household size of 2.16 were to locate in Friday Harbor, one-third at a single family density of 4 per acre and two-thirds at a multi-family density of 14 per acre, using a market factor of 20 %, development

would consume 51 acres of land. If those same individuals, with the same household size and market factor, located on 5 acre rural parcels, they would consume 1,950 acres of land.

- reduce impacts on the Island's transportation network.
- reduce the dependency of future population on the automobile and encourage pedestrian friendly growth by design.
- increase the feasibility of economically affordable housing opportunities.
- provide an increased opportunity to maintain some balance in the demographic profile of our community.

### PUBLIC MEETING:

On January 7, 2009, staff conducted a public meeting to solicit public comment on the proposed changes. The Town of Friday Harbor was also notified of the meeting and invited to comment. Four individuals attended the meeting and there was no representation from the town.

Comments expressed were:

- directing growth to the town is consistent with the goals of the San Juan Initiative and could reduce increased storm water pollution in rural areas.
- the County and Town need to develop a better working relationship to solve issues such as the need for affordable housing and addressing future growth.
- growth management criteria should not be a barrier to finding solutions to issues given that our Island community is unique.

### ADMINISTRATORS MEETING:

On January 28, 2009, the County and Town Administrators together with the planning directors met to discuss the proposed changes in Appendix 1. Although no consensus was reached, it was agreed to reconstitute the Joint Policy Planning Committee (JPPC) to establish a forum for further discussions related to future growth. The first meeting of the JPPC was scheduled for March 4, 2009.

TOWN PLANNING COMMISSION MEETING:

On January 29, 2009 I presented a report to the Town Planning Commission regarding the proposed change, and answered their questions. After discussion the Planning Commission made a recommendation to the Town Council. The Town Council submitted their comments in writing for the February 20, 2009 public hearing, a copy of which is attached.

FINDINGS:

1. That the amended Comprehensive Plan, Element 5 and new Appendix 5 as well as the proposed amendments to the Comprehensive Plan, Appendix 1 meets the requirements of the Growth Management Act.

MOTION:

**I move to adopt the proposed amendments to the San Juan County Comprehensive Plan, Section B, Element 5, (Housing) and Appendix 5, (the Housing Needs Assessment) and the proposed amendments to Appendix 1, (Population).**

