



San Juan County Community Development & Planning

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TO: PLANNING COMMISSION

FROM: RON HENRICKSON, DIRECTOR COMMUNITY
DEVELOPMENT & PLANNING; COLIN MAYCOCK,
SENIOR PLANNER

SUBJECT: EXPANSION OF THE FRIDAY HARBOR URBAN
GROWTH AREA

FOR THE MEETING OF: AUGUST 24, 2007

ISSUE: Determination of the 2027 Friday Harbor Urban Growth Area
(UGA) boundary.

EXHIBITS:

1. Adopted Friday Harbor UGA boundary - 1998
2. Non-annexed land remaining in the UGA – 2007
3. May 16, 2007 excerpt of Town staff report to Friday Harbor
Planning Commission
4. July 12, 2007, transmittal letter from Town staff and
recommended UGA map
5. Office of Financial Management population projection
6. 2000 Census by island
7. OFM population for Friday Harbor
8. Table of population percentages
9. Table 1 – 2000 census update of Household Growth by Income
Group
10. 2003 San Juan County Housing Survey
11. San Juan County Housing Plan, April 2, 2007
12. Comprehensive Plan Housing Element, October 2000
13. Friday Harbor dwelling units needed in 2027
14. Proposed new 2027 Friday Harbor UGA boundary map

**EXECUTIVE
SUMMARY:**

It is estimated that the County population will increase by 7,382 people by 2027. Of that increase 3,543, or 48%, are expected to live on San Juan Island. Conceptually, 1,027, or 29%, will reside in Friday Harbor, although the Town of Friday Harbor estimates growth of only 839 people; and 2,515 people would be allotted to

live in the unincorporated area of San Juan Island. However, 72% of the 2,515 people are projected to require affordable housing. The vast majority of affordable housing can only be provided in the Friday Harbor UGA, much of it in the form of multi-family development. Consequently, the Friday Harbor UGA is proposed to be significantly expanded to accommodate this anticipated growth.

BACKGROUND: This report is prefaced on the recognition that any estimate of population and housing affordability 20 years in the future is little more than an educated guess. There is no “right” answer. Trends in the past may not hold true in the future. Economic conditions or how we live as a society may change dramatically. The following analysis also assumes the community will find a way to provide affordable housing on the Island.

The present Friday Harbor UGA was established by the County in Ordinance No.2-1998. The boundary map from appendix 3 is shown on Exhibit 1. Over the years much of the area within the UGA has been annexed by the Town and little remains as identified on Exhibit 2.

State law requires UGA boundaries be updated at least every 10 years and the UGA provides for anticipated growth for a 20 year period.

Urban Growth Area Expansion – “Each county that designates urban growth area under RCW 36.70A.110 shall review, at least every 10 years, its designated urban growth area or areas, and the densities permitted within both the incorporated and unincorporated portions of each urban growth area. In conjunction with this review by the county, each city located within an urban growth area shall review the densities permitted within its boundaries, and the extent to which the urban growth occurring within the county has located within each city and the unincorporated portions of the urban growth areas.” RCW 36.70A.130(3)

“Based upon the growth management population projection made for the county by the Office of financial Management, the county and each city within the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty year period...” RCW 36.70A.110(2)

Over the past several months Friday Harbor has undertaken a review of the Town’s projected population for 2027 and the need for additional land to be added to the UGA. The excerpted staff report to the Friday Harbor Planning Commission and Town Council dated May 16, 2007, is attached as Exhibit 3. On June 21,

2007, the Town Council adopted a motion to recommend a new UGA boundary to the County Council. The recommendation and map are attached in a transmittal letter from the Town dated July 12, 2007, as Exhibit 4.

The County CD&P staff recommends that the San Juan County Planning Commission acknowledge the review as presented in the Town staff report; however, recognize that the CD&P staff believes the town population projection of 839 new people over the next 20 years underestimates the population growth that can be expected.

POLICY DISCUSSION:

The issue before the Planning Commission is to recommend a Friday Harbor UGA 2027 boundary to the County Council that incorporates both the Town's population growth as well as the County's need for affordable housing within the Friday Harbor UGA.

San Juan Island Population Projection

For planning purposes it is recommended that the County adopt the Office of Financial Management (OFM) intermediate projection of population which is 22,534 for the year 2025. (Exhibit 5) OFM low estimate (18,788) and a high estimate (26,686). The intermediate estimate translates into a growth rate of about 2.3% per year from 2005 to 2025. Based on this estimate the population of San Juan County in 2027 will be approximately 23,582, or an increase over the 20 years of 7,382 people. (2005 est. of 15,480 projected to 2007 at 16,200, and 2025 est. of 22,534 projected to 2027 at 23,582)

The 2000 Census estimates that about 48% of the County population resides on San Juan Island (Exhibit 6 – 6,802 divided by 14,077). Consequently, we can expect an increase of 3,543 people in the next 20 years on San Juan Island. The 2000 Census also indicates about 29% of the island population resides in Friday Harbor. This percentage has continued constant through 2006 (Exhibit 7). Thus, the County can expect an increase of about 1,027 people in Friday Harbor and 2,515 in the unincorporated area of San Juan Island in 2027.

Please note that a critical assumption in these figures is that the community will be able to provide affordable housing for all income categories.

The County estimate for the Town's population is shown on Exhibit 8 which assumes that actual population percentages in 2000 and 2005 will remain constant over the next 20 years, meaning that 48% of the County population will reside on San Juan Island and 29% of the population of San Juan Island will reside in Friday Harbor. NOTE that these estimates do not include the following estimates for affordable housing which are proposed to be developed in Friday Harbor.

Affordable or Workforce Housing

According to the 2000 Census, as represented by Table 1, (Exhibit 9) the following percentage of households fall into these income groups:

Very low income - 0 to 50% of median	23%
Low income – 50 to 80%	16%
Moderate income – 80 to 95%	16%
Middle income – 95 to 120%	17%

In total about 72% of all households fall within 0 to 120% of median income.

If the unincorporated population of San Juan Island increases by 2,515 over the next 20 years and the household size remains constant from the 2000 Census at 2.16, then the number of households will increase by 1,164, with approximately 838 households requiring affordable housing. (2,515 divided by 2.16 equals 1,164 multiplied by 72% equals 838 households.)

The need for affordable housing is further documented in the 2003 San Juan County Housing Survey (Exhibit 10) and the San Juan County Housing Plan, April 2, 2007 (Exhibit 11), and the Comprehensive Plan Housing Element, Appendix 5, October 2000 (Exhibit 12).

Affordable housing in the unincorporated portion of San Juan Island today is extremely difficult to find. It is reasonable to forecast that except for rural cluster developments very little new affordable housing will be constructed by the market over the next 20 years. If this is correct then substantially all of the new affordable housing will have to be developed within the Friday Harbor UGA.

In roughly the past 10 years 16 units of affordable rural cluster housing have been constructed on San Juan Island (8 units in Leeward Cove 2004, and 8 units in Rocky Bay 2006). These units are becoming increasingly more difficult to construct as the price of land continues to increase. If the same rate continues over the next 20 years we can expect about 32 new units which will reduce the number of affordable households needed in the Friday Harbor UGA 838 to 806.

In the unincorporated area of San Juan Island new market development of affordable housing is scarce; however, some housing will develop as a result of Accessory Dwelling Units, owners who build their own homes, individuals who already own or inherit land, individuals who convert their summer home to year around residence, boat live-ons, and other unique circumstances. Therefore, this analysis assumes that one-third of the middle income category and one-quarter of the moderate income category will find affordable housing in the unincorporated area. (1,164 x 17% x 33% equals 65 households, and 1,164 x 16% x 25% equals 47 households) Thus, the number of affordable housing units needed to be developed in Friday Harbor to address the county population growth to 2027 is 694 units. (806 minus 65 and 47 equals 694 units)

2027 Population Estimates

	County	San Juan Island	Unincorporated SJI	Friday Harbor
2007	16,200	7,776 (48%)	5,521 (71%)	2,255 (29%)
2027 a.	7,382	3,543 (48%)	2,515 (71%)	1,027 (29%)
2027 b.	7,382	3,543 (48%)	1,015 (29%)	2,928 (71%)
2027 c.	23,582	11,319 (48%)	6,536 (58%)	4,783 (42%)

- a. County projected increase
- b. County projected increase, modified for workforce housing
- c. County total population, with workforce housing

Based on the analysis presented in this report the county projects by 2027:

- The population of the county will increase by 7,382 resulting in a total population of 23,582, an increase of 46%.
- San Juan Island's population will increase by 3,543 resulting in a population of 11,319, an increase of 46%.
- The Town of Friday Harbor's population will increase by 2,528 resulting in a population of 4,783, an increase of 130%.
- The unincorporated area of San Juan Island will increase by 1,015 resulting in a population of 6,536 an increase of 19%.
- The percent of people on San Juan Island living in Friday Harbor will increase from 29% to 42% by 2027.

Friday Harbor UGA Land Requirements

As land and housing prices continue to increase it is clear fewer and fewer households will be able to afford a single family residence. Many of these households will have to find alternative forms of housing such as rental apartments and townhouses.

For purposes of estimating it is assumed that only those households in the middle income category will be able to afford a single family residence, approximately 24% of those needing affordable housing. (17% from Table 1 divided by 72%)

It is further assumed that single family development in Friday Harbor will occur at the rate of 4 per acre and that multi-family development will occur at the rate of 10 units per acre.

Thus, 42 acres of single family land will be needed (694 x 24% divided by 4), and 53 acres of multi-family land will be needed (694 x 76% divided by 10). The total amount of land needed is 95 acres. Assuming a 20% market factor which was used

by Friday Harbor, 114 acres of residential land will have to be brought into the Friday Harbor UGA to provide for affordable housing in the next 20 years.

Friday Harbor Housing Needs

Using the County projection for Friday Harbor population growth (1,027 vs. the town estimate of 839), and the town methodology for computing dwelling units (DU) as stated in Exhibit 3, there is a need for an additional 106 dwelling units. (Exhibit 13) The town proposed to add 53.6 acres of residential property to the UGA at an overall density of 5 dwelling units per acre. Under the county estimate 106 additional DU are needed, which translates into 14.5 acres if 76% of the units are multifamily and 24% are single family ($106 \times 76\%$ divided by 10 equals 8.1, and $106 \times 24\%$ divided by 4 equals 6.4, for a total of 14.5 acres).

Population Distribution

Although the County comprehensive Plan does not specify a percentage of housing units which must be directed to the UGA, if the county affordable housing calculation of 1,499 ($694 \text{ households} \times 2.16$) is added to the Friday Harbor population estimate of 1,027, over 71% of the Islands population growth over the next 20 years will occur in the Friday Harbor UGA ($1,027 \text{ plus } 1,499 \text{ equals } 2,526$ divided by $3,543 \text{ equals } 71\%$).

County Fairground Site

In order to provide for urban services (sewer) in the future, it is recommended that the fairground site be included in the UGA, although the County has no plans at this time to request annexation to the town.

Friday Harbor UGA Boundary Expansion

Based on the above estimates a total of 128.5 acres of developable residential land needs to be added to the Friday Harbor UGA, in addition to the 74.3 acres proposed by the Town of Friday Harbor. (14.5 acres as a result of the County's estimate of the Town population plus 114 acres to provide affordable housing for the estimated growth in the unincorporated area of San Juan Island).

The additional 128.5 acres of developable residential land was based on the projection that about 58 acres would be single family at a minimum of 4 units per acre, and about 70 acres would be multi-family at a minimum density of 10 units per acre.

If affordable housing is going to be developed in Friday Harbor the UGA boundary will have to be expanded to accommodate the growth. Preliminary discussions with the Town planning staff suggest the most logical way to expand is to add areas to the south and west on land which presently has either a land use designation of Rural Residential or Rural Farm Forest. The proposed areas to be added to the UGA are shown on the map labeled as Exhibit 14.

Please note that the UGA boundary includes some areas of existing, residential development along Argyle Avenue and likely commercial property along Mullis Street. These areas are included in the proposed UGA boundary, after consultation with Town planning staff, in order to better facilitate future utility services.

STAFF
RECOMMENDATION:

Staff recommends that the Planning Commission review and discuss the report, solicit public input, and make a recommendation regarding the proposed boundary expansion of the 2027 Friday Harbor UGA to the County Council.

As noted in the report, this is the first step in a process which also must include an analysis of infrastructure needs in conjunction with the town.