

Ordinance No. 16 - 2009

**AN ORDINANCE AMENDING THE SAN JUAN COUNTY COMPREHENSIVE PLAN HOUSING ELEMENT (SECTION B ELEMENT 5), HOUSING NEEDS ASSESSMENT (APPENDIX 5), AND POPULATION PROJECTIONS, BUILDOUT ANALYSIS, AND LAND USE INVENTORY (APPENDIX 1)**

**BACKGROUND**

- A. The County was scheduled to review and revise the Comprehensive Plan, including the Housing Element, in 2005. The County's review efforts concluded with the adoption of Resolution 98-2005, adopted on September 13, 2005, which detailed the actions that should be taken to update the Comprehensive Plan. Although some of these actions were carried out in Ordinance 15-2005, other actions, such as updating the Housing Needs Assessment, were not completed in 2005 or 2006.
- B. The County's failure to complete the review and update of the Housing Element was appealed to the Western Washington Growth Management Hearings Board ("Board") in 2008 in WWGMHB Case No. 08-2-0006. On March 10, 2008, the Board ruled in its Order Dismissing Issues, Finding Noncompliance, and Setting a Compliance Schedule ("Order") that the County needed to complete its review of the housing element by December 31, 2008. This deadline was extended to June 29, 2009, by an Order Granting Extension of Compliance Period issued on April 20, 2009.
- C. The percentage of the projected population growth of San Juan Island assigned to the Town of Friday Harbor's Urban Growth Area in the existing Housing Element is 29%. The County's non-municipal urban growth areas are each assigned 50% of their island's population growth.
- D. The County desires to comply with the Board's Order and complete the housing-related updates to the Comprehensive Plan described in Resolution 98-2005 by amending the Comprehensive Plan to include: an updated Section B Element 5 (Housing Element); a new Appendix 5 (Housing Needs Assessment); an updated Appendix 1 (Population Projections, Buildout Analysis, and Land Use Inventory) which assigns 50% of the projected population growth on San Juan Island to the Town of Friday Harbor's UGA; and by taking all other steps necessary to bring the County into compliance with the GMA.
- E. The County Council makes the following findings:
1. The proposed amendments to Comprehensive Plan Section B Element 5, Appendix 5, and Appendix 1 meet the requirements of the Growth Management Act. This ordinance accomplishes the required update to the County's Housing Element and associated appendices required by RCW 36.70A.130 based upon the review and evaluation which is described in Resolution No. 98-2005.

2. The required 60-day notice for adoption of the Housing portion of this ordinance was delivered to the Washington State Dept. of Community, Trade and Economic Development on September 30, 2008, and given the material ID #13517.
3. The required 60-day notice for adoption of the Population portion of this ordinance was delivered to the Washington State Dept. of Community, Trade and Economic Development on December 15, 2009 and given the material ID #13810.
4. Drafts of these Comprehensive Plan amendments were considered by the San Juan County Planning Commission at properly noticed public hearings held on January 16, 2009, and February 20, 2009.
5. Allocating 50% of the projected population growth to UGAs is consistent with the goals of the GMA.
6. The profile of the San Juan County community will be drastically changed by 2025 if the County does not change the way it supports affordable housing.
7. The Housing Needs Assessment makes clear that:
  - a. The absence of affordable housing in the County is driving out working families,
  - b. The absence of affordable housing in the County is keeping working families from coming to our County,
  - c. Our current population is aging and retiring,
  - d. The County must take steps now to halt the decline in our working population or suffer radical changes to the community.
8. After considering the evidence in the record, the Planning Commission issued a recommendation to approve the adoption of the proposed amended Comprehensive Plan Section B Element 5, Appendix 5, and Appendix 1.
9. The Council finds that additional changes to the draft ordinances reviewed by the Planning Commission are necessary for clarity and to assure that the amendments comply with the Comprehensive Plan and GMA. These changes are included in this ordinance and attached Exhibits 1 and 2.
10. This ordinance was considered by the County Council during a properly noticed public hearing held on March 24, 2009, and continued to June 9, 2009, at which times the public had the opportunity to comment.

11. The County Council held two work sessions to gather information and consider changes to Exhibits 1 and 2 on April 7, 2009 and May 11, 2009.
12. After considering the evidence in the record, the County Council decided to approve this ordinance.

**NOW, THEREFORE, BE IT ORDAINED** by the County Council of San Juan County, Washington, as follows:

Section 1. Amendment to Comprehensive Plan Section B Element 5. San Juan County Comprehensive Plan Section B Element 5 is amended to read as shown on attached Exhibit 1.

Section 2. Amendment to Comprehensive Plan Appendix 5. San Juan County Comprehensive Plan Appendix 5 is amended and replaced in its entirety with the new Appendix 5 attached as Exhibit 2.

Section 3. Amendment to Comprehensive Plan Appendix 1. San Juan County Comprehensive Plan Appendix 1, Section 1.D, Office of Financial Management (OFM) Forecasts, is amended to read as follows:

#### ***D. Office of Financial Management (OFM) Forecasts***

The Growth Management Act (GMA) requires the County to accept (or appeal, if appropriate) the population projections prepared by OFM. Specifically, GMA states that... "Based upon the growth management population projection made for the County by the Office of Financial Management, the urban growth areas in the County shall include areas and densities sufficient to permit urban growth that is projected to occur in the county for the succeeding 20-year period." (Source: RCW 36.70A.110(2))

#### **Basis for 1995-2005 Population Forecasts**

The OFM provided county population forecasts at 5-year intervals between 1990 and 2010, and for each year after 2010. The 2000 and 2005 projections provided an "intermediate", or most likely scenario for each county, and also included high and low population projection alternatives. The Growth Management Act (GMA) population planning targets focus on the intermediate population projection alternative.

#### ***OFM Methodology***

For the 5-year intervals, OFM County population projections were prepared using a version of the cohort survival methodology. This "cohort-component" represents populations disaggregated into age-sex cells and projected through time using age-sex-specific rates of fertility, mortality, and migration for each projection interval. County populations were then

compared and reconciled to the statewide age-sex, birth, death, and net migration projections for each 5-year interval from 2000-2010.

***“Intermediate” Projections Scenario***

The “intermediate”, or middle series projections, are based on broad OFM assumptions that are related to migration, which is the primary driver of relative population change of subnational areas, such as counties. The 1995-2005 OFM projections include the impact of the “rural rebound” growth trend experienced by most of the western states since the early 1990s. This trend was not anticipated when the initial GMA projections were prepared in 1991. Much of the rural and non-metropolitan growth in Washington since 1990 has been far greater than anticipated.

The population change in 10-year increments from 1960-2005 are shown in Table 4 below. during the 40-year period 1960-2000, the County experienced an average annual 8.7% growth rate.

**Table 4  
 San Juan County Population Change 1960-2000**

Decade	Initial Population	Population Statistics			Population Change	Terminal Population
		Births	Deaths	Net Migration		
1960-1970	2,872	351	-461	1,094	984	3,856
1970-1980	3,856	556	-536	3,962	3,982	7,838
1980-1990	7,838	1,044	-742	1,895	2,197	10,035
1990-2000	10,035	1,213	-1,178	4,007	4,042	14,077

Source: Washington State OFM Forecast-2000 and 2005

***County Unincorporated vs. Town of Friday Harbor Historic Growth***

The County’s unincorporated population during 1960-1990 (Table 4) represents an average annual growth rate at 8.3%, while from 1990-2000, the rate was 4.0%. By comparison, the Town of Friday Harbor’s lower growth rate ranged from 2.73% to 3.3% during 1960-1990. During 2002-2004, the Town experienced a lower 3-year average annual growth rate of 0.91% (Source: Town of Friday Harbor Comprehensive Plan 2002 and Planning Department staff interview).

The Town’s growth rate averaged 3.94% during 1990-1995, and from 1995-2001, it experienced a lower rate of 1.4% for an average 2.7% growth rate. In addition, Table 3

above shows the 2000-2005 population growth for Friday Harbor that represents an average 1.6% annual increase.

**2005-2025 County Population Forecasts**

The OFM acknowledges that independently developed county projections, using the same methods and similar assumptions may not match these projections because independent expectations for births, deaths, and migration for individual counties are not reconciled on the State total. The County continues to accept OFM's "intermediate" series projections for growth management planning for the more recent 20-year planning period 2005-2025.

The population change in 5-year increments from OFM population projections for the County during 2005-2025 are shown in Table 5 below. As the table shows, an average 2.37% growth rate is expected during the next 10-year period (2005-2015), to be followed by a declining 1.76% average annual growth rate during the following 10-year period (2015-2025).

**Table 5**  
**San Juan County Population Forecast 2005-2025**

5-Year Increments	Initial Population	Population Statistics				Terminal Population	Average Annual Growth %
		Births	Deaths	Net Migration	Population Change		
2005-2010	15,500	545	-529	1,800	1,816	17,316	2.34%
2010-2015	17,316	556	-540	1,836	1,852	19,168	2.14%
2015-2020	19,168	513	-498	1,694	1,709	20,877	1.78%
2020-2025	20,877	497	-483	1,643	1,657	22,534	1.59%
							2.27%
							Average %

Source: Washington State OFM Forecast-2000, 2002 and 2005

***County Unincorporated vs. Town of Friday Harbor Population Forecasts***

Table 5 above shows the OFM Countywide 2005-2025 population forecast, using the OFM methodology described in Section (D) above. As shown in Table 5 ("Annual Growth Rate %" column), the 20-year forecast (2005-2025) represents an average annual 2.27% population growth rate. By comparison, the Town of Friday Harbor Planning Commission and Town Council agreed, in 2002, to an average annual 1.4% growth rate for the purpose of the Friday Harbor Comprehensive Plan (Source: *Town of Friday Harbor Comprehensive Plan 2002*). Actual average annual growth rates for Friday Harbor during 2002-2004 were as follows: 2002 = 1.24%, 2003 = -0.24%, and 2004 = 1.72%. Average annual growth rate (3 years) = 0.91%.

A goal of the county, consistent with the GMA, is to encourage new growth within the Town. Consequently, 50% of the new population growth on San Juan Island is allocated to the Town and the Friday Harbor Urban Growth Area. See Table 8.

Section 4. Amendment to Comprehensive Plan Appendix 1. San Juan County Comprehensive Plan Appendix 1, Section 1.E, Population Forecasts for Planning Purposes, is amended to read as follows:

***E. Population Forecasts for Planning Purposes***

The various population forecasting methodologies and projections for the County's future population have been described above in this text. Table 5 above shows OFM's "intermediate", or middle series population forecasts for the County, which represent a 2.27% average annual rate for the 20-year planning period (2005-2025).

The County chose a slightly lower rate of 2.2% for planning purposes which considers the historic 25-year (Table 6) and 10-year (Table 7) average annual declining increase in population growth rates within the County, as well as the Town of Friday Harbor's projected 1.4% growth rate.

*Table 6*

*San Juan County Population Growth 1980-2005*

<b>5-Year Increments</b>	<b>Initial Population</b>	<b>Terminal Population</b>	<b>Average Annual Growth Rate %</b>
1980-1985	7,838	8,904	2.72%
1985-1990	8,904	10,035	2.54%
1990-1995	10,035	12,300	4.51%
1995-2000	12,300	14,077	2.89%
2000-2005	14,077	15,500	2.02%

*Source: Washington State OFM Forecast-2002 and 2005*

**Table 7**

**San Juan County Population Growth 1995-2005**

<b>5-Year Increments</b>	<b>Initial Population</b>	<b>Terminal Population</b>	<b>Average Annual Growth Rate %</b>
1995-2000	12,300	14,077	2.89%
2000-2005	14,077	15,500	2.02%

*Source: Washington State OFM Forecast-2002 and 2005*

**20-Year County Population Forecasts (2005-2025)**

Table 8 below shows the population distribution by island of the projected San Juan County population based on a 2.2% average annual growth rate for the County, including the Town of Friday Harbor. The table assumes that the population will continue to be distributed among the islands, per the 2000 Census. This forecast includes permanent population only, and does not reflect seasonal or part-time residents.

**Table 8  
County Population Forecast 2005-2025 (2.22.0% Average Annual Growth Rate)**

Island	2005 Population	Population by Island (%)	Population Projections (OFM)			
			2010	2015	2020	2025
San Juan (unincorp.)	5,214	33.6% to <u>30.6%</u>	<del>5,825</del> <u>5,645</u>	6,448 <u>6,085</u>	7,023 <u>6,491</u>	7,580 <u>6,885</u>
Orcas	4,894	31.6%	5,467	6,052	6,592	7,115
Lopez	2,396	15.5%	2,677	2,963	3,227	3,483
Shaw	245	1.6%	272	303	330	356
Subtotal (unincorp.)	12,749	82.3%	14,241	15,766	17,172	18,535
Town of Friday Harbor	2,150	13.9% to <u>17%</u>	<del>2,402</del> <u>2,582</u>	<del>2,659</del> <u>3,022</u>	<del>2,896</del> <u>3,428</u>	<del>3,126</del> <u>3,821</u>
<i>Total Ferry-Served Islands</i>	14,899	96.1%	16,643	18,425	20,068	21,660
Blakely	62	0.4%	69	77	84	90
Brown	14	0.1%	16	17	19	20
Center	54	0.3%	60	67	73	79
Crane	22	0.1%	25	27	30	32
Decatur	78	0.5%	87	96	105	113
Johns	6	0.0%	7	7	8	9
Pearl	8	0.1%	9	10	11	12
Stuart	52	0.3%	58	64	70	76
Waldron	115	0.7%	128	142	155	167
Other Islands	191	1.2%	214	235	256	276
<i>Total Non-Ferry-Served Islands</i>	601	3.9%	673	743	810	874
<b>TOTAL</b>	<b>15,500</b>	<b>100.0%</b>	<b>17,316</b>	<b>19,168</b>	<b>20,877</b>	<b>22,534</b>

Source: Washington State OFM (2002 & 2005)

Section 5. Amendment to Comprehensive Plan Appendix 1. San Juan County Comprehensive Plan, Appendix 1, Section 1.F, Urban Growth Areas (UGAs) Population Forecasts, is amended to read as follows:

### ***F. Urban Growth Areas (UGAs) Population Forecasts***

Although the County has selected to use a 20-year average annual population growth rate of 2.2% for planning purposes during 2005-2025, each year's growth rate will actually fluctuate higher or lower than the projected *average* annual growth rate for the 20-year time period. This will be particularly true for the County's urban growth areas at Orcas Eastsound Village and Lopez Village. As a result, population forecasting for the urban growth areas considers growth factors that are somewhat different than the criteria used in forecasts for the Countywide population.

#### ***UGA Goals for Growth***

Population forecasts for the UGAs are based on projections per the Washington State Growth Management Act (GMA) mandated goal of accommodating 50% of the County's total increase in population growth over a 20-year planning period. This means that a certain amount of land available for urban level housing density (e.g., 4 units per acre or more) that can also be served by utilities at the time of development (per GMA concurrency requirement) is allocated for population growth within the urban growth area. In some cases, the limitation of natural resources (e.g., water), or the capability of utilities to provide service, becomes the constraining factor that influences these forecasts.

The overall GMA goal for UGAs is to plan for (1) future growth while reducing sprawl in rural lands, and (2) orderly growth within the County's towns. In order to accomplish this goal, countywide population growth is calculated for the first and last year of the expected planning time period, and 50% of that amount is allocated to the UGAs.

#### ***District-by-District Population Forecasts***

Population forecasts are initially calculated district by district, due to the unique geography whereby the County is comprised of three major islands and many smaller islands. The larger islands (i.e. San Juan, Orcas, and Lopez) support most of the population; however, the larger island's respective Districts 1, 2, 3 also include smaller proximate islands that include a portion of the population.

Following the district-by-district calculations of population growth allocations whereby UGA growth is determined, the total UGA growth population of the three districts should equal 50% of the increase for the County's overall population growth. In practice, however, this goal has yet to be fully achieved.

***Designation and Location of Urban Growth Areas***

The Town of Friday Harbor UGA (Incorporated) surrounds the Town of Friday Harbor on San Juan Island (District 1). All potential annexations to the Town of Friday Harbor must initially be included in the their UGA, which is determined through negotiation between the Town and San Juan County within the provisions and requirements of Countywide Planning Policies. The Eastsound Village UGA (Unincorporated) is located on Orcas Island (District 2), and the Lopez Village UGA (Unincorporated) is located on Lopez Island (District 3).

The only incorporated municipality within a UGA in the County is the Town of Friday Harbor, which means that UGA planning requires a coordinated effort between the County and Friday Harbor to achieve appropriate growth management through the UGA process. All annexation issues to be considered by the Town of Friday Harbor must initially be focused in their UGA via a cooperative process established by countywide policies.

The expected growth on San Juan Island is 3,342 persons. Allocating 50% of the new growth, or 1,671 persons, to the Town of Friday Harbor and the Friday Harbor UGA will result in a 2025 Town population of 3,821 ( 2,150 plus 1,671).

Section 6. Savings Clause.

This ordinance shall not affect any pending suit or proceeding; or any rights acquired; or liability or obligation incurred under the sections amended or repealed; nor shall it affect any proceeding instituted under those sections. All rights and obligations existing prior to adoption of this ordinance shall continue in full force and effect.

Section 7. Severability.

If any provision of this ordinance or its application to any person is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected. Remaining sections of the ordinance shall be interpreted to give effect to the spirit of the ordinance prior to removal of the portions declared invalid.

Section 8. Effective Date.

This ordinance shall take effect on the tenth working day after adoption.

ADOPTED this 9<sup>th</sup> day of June 2009.

**COUNTY COUNCIL  
SAN JUAN COUNTY, WASHINGTON**

ATTEST: Clerk of the Council

By: Ann Larson  
Ann Larson, Clerk  
Date: 6/9/2009

REVIEWED BY COUNTY  
ADMINISTRATOR

Pete Rose  
Pete Rose Date: 6-1-09

APPROVED AS TO FORM ONLY  
RANDALL K. GAYLORD

By: [Signature]  
Date: 6/1/09

[Signature]  
Lovel Pratt, Member  
District 1, San Juan South

[Signature]  
Rich Peterson, Chair  
District 2, San Juan North

[Signature]  
Howard Rosenfeld, Member  
District 3, Friday Harbor

[Signature]  
Richard Fralick, Vice Chair  
District 4, Orcas West/Waldron

[Signature]  
Gene Knapp, Member  
District 5, Orcas East

**EXCUSED ABSENT**

[Signature]  
Bob Myhr, Member  
District 6, Lopez/Shaw

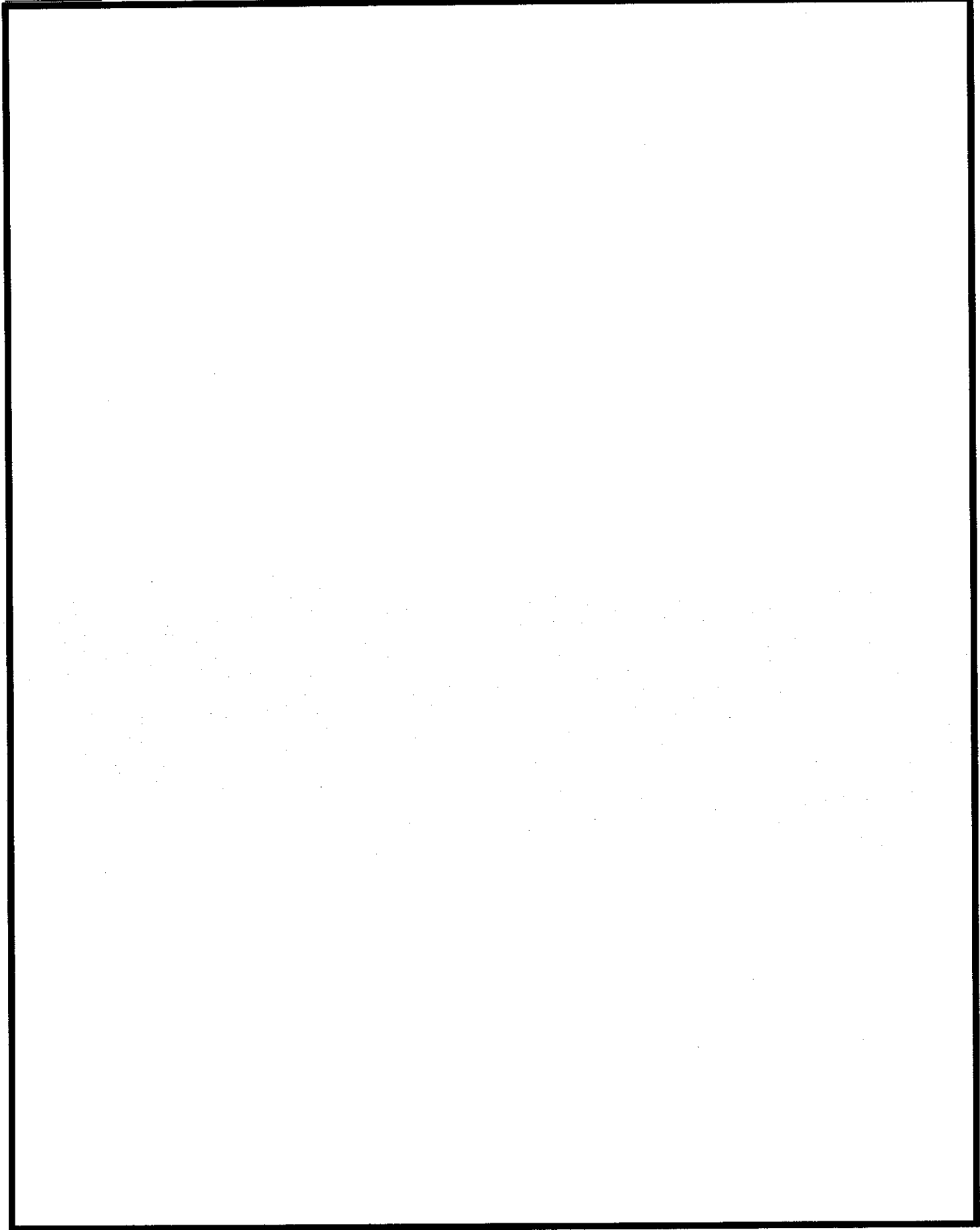
**COMPREHENSIVE PLAN**

**SECTION B, ELEMENT 5**

**HOUSING**

**July 2006 June 2009**

*"The supply of affordable housing is adequate to meet the needs of our diverse population. . . There is housing for people of all incomes." From The San Juan County Vision Statement: Basic Human Needs and Land Use*



# ELEMENT 5

## HOUSING

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See Appendix 5, Housing Needs Assessment for complete inventory, land availability and needs analysis.



## 5.1 INTRODUCTION

### 5.1.A Purpose

The purpose of the Housing Element is to identify and prioritize programs which advance a diversity of housing opportunities in the County. The Housing Element identifies housing needs in the county and establishes goals and policies to direct county actions to meet these needs. The element provides an opportunity to focus on the leadership role that local government can take to work cooperatively with all segments of the community in order to maintain and increase affordability within the context of protecting the public health, safety and welfare as well as maintaining a diverse community.

### 5.1.B Summary of Housing Needs

Appendix 5 in this *Plan* includes detailed information on the County's population and housing characteristics. ~~The first part of that appendix provides an explanation of some of the terms used in discussion of housing affordability, and~~ Appendix 5 is the Housing Needs Assessment and ~~provides the foundation for projections of housing units needed by all income groups. The second part of the appendix is the 20081999 Housing Needs Assessment.~~ The Housing Needs Assessment provides additional information on income, employment, ~~housing sales, housing construction,~~ housing costs, and housing needs of ~~special population groups such as the elderly and the disabled~~ all groups. ~~It also provides information on a number of federal and state housing programs.~~ The term 'need' in relation to housing units concerns both rental and owner occupied units throughout and does not necessarily assume the maintenance of the current ratios.

Table 5-A

San Juan County Population Projections			
<u>2008</u>	<u>2015</u>	<u>2020</u>	<u>2025</u>
<u>16,100</u>	<u>19,150</u>	<u>20,857</u>	<u>22,513</u>

Table 5-B

Area Median Income Household Groups per HUD Standards					
<u>AMI Sectors</u>	<u>% of Income 2008 Income Limits For a Family of 4</u>	<u>% of SIC Households in 2000</u>	<u># of SIC Households in 2008</u>	<u># of SIC Households in 2025</u>	<u># of new Households in 2025</u>
<u>Very Low Income</u>	<u>0 to 50% of Median 0-\$32,500</u>	<u>23%</u>	<u>1,714</u>	<u>2,397</u>	<u>683</u>
<u>Low Income</u>	<u>50% to 80% of Median \$32,500-\$52,000</u>	<u>16%</u>	<u>1,192</u>	<u>1,667</u>	<u>475</u>
<u>Moderate Income</u>	<u>80% to 95% of Median \$52,000-\$61,750</u>	<u>16%</u>	<u>1,192</u>	<u>1,667</u>	<u>475</u>
<u>Middle Income</u>	<u>95% to 120% of Median \$61,750-\$78,000</u>	<u>17%</u>	<u>1,267</u>	<u>1,771</u>	<u>504</u>
<u>Low Upper Income</u>	<u>120%-150% of Median \$78,000-\$97,500</u>	<u>13%</u>	<u>969</u>	<u>1,355</u>	<u>387</u>
<u>Sub Total</u>		<u>85%</u>	<u>6,334</u>	<u>8,857</u>	<u>2,524</u>
<u>Upper 150%</u>	<u>150%+ of Median \$97,500+</u>	<u>15%</u>	<u>1,118</u>	<u>1,563</u>	<u>445</u>
<u>Total</u>		<u>100%</u>	<u>7,452</u>	<u>10,420</u>	<u>2969</u>

Table 5-C

<u>Island</u>	<u>2008 Population</u>	<u>% Population By Island</u>	<u>2025 Population By Island</u>	<u>Pop Growth by Island</u>	<u>Total# New Housing Units</u>	<u>Housing units UGA</u>
<u>San Juan</u>	<u>5,232</u>	<u>33% 2008 - 30.5%-2025</u>	<u>6,866</u>	<u>1,634</u>	<u>703</u>	
<u>Friday Harbor</u>	<u>2,425</u>	<u>14% 2008- 17% 2025</u>	<u>3,827</u>	<u>1,402</u>	<u>703</u>	<u>703</u>
<u>Sub Total</u>	<u>7,657</u>		<u>10,693</u>	<u>3,036</u>	<u>1,406</u>	
<u>Orcas</u>	<u>5,073</u>	<u>31.5%</u>	<u>7,091</u>	<u>2,018</u>	<u>934</u>	<u>467</u>
<u>Lopez</u>	<u>2,495</u>	<u>15.5%</u>	<u>3,489</u>	<u>994</u>	<u>460</u>	<u>230</u>
<u>Shaw</u>	<u>257</u>	<u>1.6%</u>	<u>360</u>	<u>103</u>	<u>48</u>	
<u>Total ferry served island</u>	<u>15,368</u>	<u>96.1%</u>	<u>21,633</u>	<u>6,151</u>	<u>2,848</u>	
<u>Total Non Ferry Served</u>	<u>631</u>	<u>3.9%</u>	<u>878</u>	<u>247</u>	<u>126</u>	
<u>Total</u>	<u>16,100</u>	<u>100%</u>	<u>22,513</u>	<u>6,413</u>	<u>2,969</u>	<u>1,400</u>

Nearly all estimates of the detailed characteristics of population and housing are based on scaling the information from the 2000 1990 Census to current estimates of the County's total population and number of dwelling units, and follow the Office of Financial Management's Middle Range Population Projections on projected future growth of population at a rate of 2.25 percent per year. Estimates of housing need are based on a number of simplifying assumptions about people's financial resources and decisions about how they will meet their own housing needs. The assumption that the population is equally distributed

in the average household size of 2.16 leads to the conclusion that there are currently only 7,454 households in the County. ~~Because of~~ Due to the unique housing market, environment, and employment characteristics of San Juan County, these estimates and assumptions must be considered with caution. ~~However, it is clear; however,~~ that if the County is to continue to provide a place to live and work for a wide variety of people, and to move toward a balanced, year-round economy in accordance with the Vision Statement and goals of the Land Use Element, the County must act to make provisions for the development of - consciously to provide for opportunities for development of housing affordable to working families, as well as very-low to moderate-, middle- and low-upper income groups. very low, low and moderate income groups.

### **Housing Affordability**

The U.S. Department of Housing and Urban Development (HUD) and the State of Washington have established 30 percent of gross household income expended for housing, including cost of basic utilities (including water, sewage disposal, electric power, and fuel or power for space heating and cooking, but not including telephone), as the amount considered affordable for all income groups.

Household income groups are defined as very low, low, moderate, middle and upper income by the relationship of their income to the median household income for the County. Household income groups are not differentiated by household size in the Census. Households with incomes up to 50 percent of the median income are classified as very low-income; households with 50 percent to 80 percent of the median income are classified as low-income. Moderate-income households are those with 80 percent to 95 percent of the median, and middle-income households are those with 95 percent to 120 percent of the County median. There are some households that fall into the HUD definition of Upper-Income, however they only earn between 120 percent and 150 percent of the AMI, a group that in San Juan County may be cost burdened by the price of housing. This group is referred to as low-upper-income households throughout. Upper-income households are those whose household income is greater than ~~150~~120 percent of the median. (In the discussion below, unless the very low-income group is separately mentioned, "low-income households" is understood to include very low-income households.)

Figure 5-1 in Appendix 5 shows the distribution of household incomes for San Juan County in 1989 based on the 1990 Census, and shows incomes associated with each income group at that time. A problem of housing affordability exists when a substantial portion of households in an income category are paying more than 30 percent of their income for housing. Figure 5-2 in Appendix 5 shows the percent of households paying more than 30 percent of their income for housing by income category, based on the 1990 Census. This figure shows that for the highest income group considered by the Census, those with incomes greater than \$50,000 per year, only 1.7 percent paid more than 30 percent of their income for housing. Of those with incomes from 0 to \$10,000 per year, 85 percent paid more than 30 percent of their income for housing. Of those with incomes from \$10,000 to \$20,000 per year, 51 percent paid more than 30 percent of their income for housing. Of those with incomes from \$20,000 to \$35,000 per year, just over 20 percent paid more than 30 percent of their income for housing, and for those with incomes from \$35,000 per year to \$50,000 per year, 13 percent paid more than 30 percent of their income for housing. Based on these Census statistics, estimates were made of the percentage of households in each income category paying more than 30 percent of their income for housing. These estimates are shown in Table 5-1 in Appendix 5. These figures indicate that a significant problem of housing affordability definitely exists for very low-income and low income households. Of moderate income households, a substantial 20 percent were unable to find housing acceptable to them for less than 30 percent of their income, and of middle-income households, approximately 17 percent were estimated to be paying more than 30 percent of their income for housing. These percentages are high enough to indicate that people in these income categories seeking to locate in the County may have trouble finding affordable housing.

Table 5-15 in Appendix 5 shows the distribution of household incomes in San Juan County in 2008 based on the 2000 Census and HUD AMI categories. Table 5-16 shows the approximate number of households in the different AMI categories that pay 30+ percent of their gross income for housing. This table shows