

Ordinance No. _____ - 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 March 31, 2009 by an Order Granting Extension of Compliance Period issued on December 31, 2008.
- 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, at which time the public had the opportunity to comment.

11. 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				Terminal Population
		Births	Deaths	Net Migration	Population Change	
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

5-Year Increments	Initial Population	Terminal Population	Average Annual Growth Rate %
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

5-Year Increments	Initial Population	Terminal Population	Average Annual Growth Rate %
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 (~~2.2%~~2.0% Average Annual Growth Rate)

<i>Island</i>	Population		Population Projections (OFM)			
	2005	by Island (%)	2010	2015	2020	2025
	<i>Population</i>					
San Juan (unincorp.)	5,214	33.6% to <u>30.6%</u>	5,825 <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>	2,402 <u>2,582</u>	2,659 <u>3,022</u>	2,896 <u>3,428</u>	3,126 <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	0.0% 3.9%	673	743	810	874
TOTAL	15,500	100.0%	17,316	19,168	20,877	22,534

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 ____ day of _____ 2009.

**COUNTY COUNCIL
SAN JUAN COUNTY, WASHINGTON**

ATTEST: Clerk of the Council

Lovel Pratt, Member
District 1, San Juan South

By: _____
Ann Larson, Clerk
Date:

Rich Peterson, Chair
District 2, San Juan North

REVIEWED BY COUNTY
ADMINISTRATOR

Howard Rosenfeld, Member
District 3, Friday Harbor

Pete Rose Date:

APPROVED AS TO FORM ONLY
RANDALL K. GAYLORD

Richard Fralick, Vice Chair
District 4, Orcas West/Waldron

By: _____
Date:

Gene Knapp, Member
District 5, Orcas East

Bob Myhr, Member
District 6, Lopez/Shaw