SAN JUAN COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT

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MEMO

REPORT DATE:	August 7, 2020
TO:	San Juan County Planning Commission
CC:	Erika Shook, AICP, DCD Director
FROM:	Adam Zack, Planner III Sophia Cassam, Planner I
SUBJECT:	2036 Comprehensive Plan Update Section B, Element 2, Land Use and Rural Rural Residential Cluster Development
BRIEFING:	August 21, 2020
ATTACHMENT:	A. Homes for Islanders 2020 Docket Application B. SJCC 18.60.260 Affordable Housing

Purpose

To discuss and get feedback on rural residential cluster policy and regulations.

Feedback Requested

Please provide a recommendation on the following rural residential cluster related policy and regulatory topics:

- Limits to the number of units and developments allowed;
- Limits to the size of rural residential cluster structures;
- Rural residential cluster ownership requirements; and
- Assurance of affordability requirements.

Background

Rural residential cluster developments (cluster developments) are a form of affordable housing where several units may be built at a density higher than that of the underlying land use designation. These developments are intended to provide opportunities for affordable housing and small-scale agriculture in rural areas. The development standards ensure that rural residential clusters are compatible with the character of rural lands, and that they prohibit sprawl and do not require urban-level services.

The cluster affordable housing model has not been widely utilized by developers in San Juan County. Restrictive development code requirements may be discouraging development of this affordable housing type. The public has brought to light several issues and has proposed code changes to help make rural

residential clusters a more viable and appealing form of affordable housing development. Those issues and possible policy and regulation options are discussed in this memo.

Cluster developments are a way the County can achieve the goals of the Growth Management Act (GMA). The planning goal for housing in RCW 36.70A.020(4) states,

> "Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock."

Cluster developments diversify the available affordable housing options for low- to middle-income households by creating opportunities for such households to live in rural areas. The second GMA planning goal, RCW 36.70A.020(2) Reduce sprawl, promotes reducing the inappropriate conversion of undeveloped land into sprawling, low-density development. Cluster developments increase the density of land use in rural areas, and therefore decrease rural character. For this reason, cluster development is only allowed, in a limited capacity, for affordable housing. The development code for Rural residential clusters provides regulations for limiting impacts on rural character and to guarantee that cluster developments are affordable long-term. The possible benefits of affordable housing for the community have been found to outweigh the impacts cluster developments can have on rural character.

Without special provisions for affordable cluster housing, low- to middle-income households are priced out of living in rural areas. The cost of land presents a barrier for the average household in the County. According to the GMA (RCW 36.70A.030(2)(b)), part of what creates rural character are land use and development standards "that foster traditional rural lifestyles, rural-based economies, and opportunities to both live and work in rural areas." In promoting the protection of rural character, the County should support opportunities for people of various income levels and household types to live in rural areas.

How do the *Plan* and Existing Regulations Address This?

The Housing Element discusses cluster developments as a special accommodation to create opportunities for very-low to middle-income households to live on rural lands. There are two affordable housing policies for cluster development:

> *Policy 6.2.D.15*
> Provide for a limited number of small-scale rural residential cluster developments of no more than twelve dwelling units each within rural lands, and Village, Hamlet and Residential Activity Centers, where allowed, excluding Resource, Natural and Conservancy designated lands. Establish conditions regarding the allowable number, appropriate location, size, design, spacing, ownership, affordability, and permitted accessory uses in such clusters to ensure that such developments do not adversely affect the rural, natural and agricultural character of these areas.

and

> *Policy 6.2.D.22*
> Provide incentives and guidelines for efficient development patterns that preserve and enhance scenic open space, reduce sprawl and encourage development in activity centers through innovative site planning techniques which minimize road, sewer, water, and other infrastructure costs. Provide standards for cluster developments, small lots and small lot districts, manufactured housing, and planned unit developments.

The County has not adopted a land use policy for rural residential cottage cluster development.

Cluster development is regulated by Chapter 18.30 SJCC, SJCC 18.60.230, and SJCC 18.80.180. Some of the key requirements are:

- They are only allowed in hamlet residential, rural residential and rural farm forest land use designations;
- The developed portion of the rural residential cluster development is prohibited in the shoreline jurisdiction;
- The lot must be under single ownership by a business, nonprofit, or public agency in the business of providing affordable housing. Any portion of the lot not sold for affordable housing must remain in the same ownership;
- All residential units must be affordable housing and meet the standards of SJCC 18.60.260 Affordable housing;
- The cluster development is allowed a maximum density of two units per acre and a maximum of eight dwelling units;
- Structures cannot exceed 1,500 square feet per dwelling unit;
- No more than three clusters are allowed in any year on San Juan, Orcas, Lopez, and Shaw Islands;
- In any decade, no more than 100 dwelling units total and fifty dwelling units on any one island are allowed;
- On other islands, no more than ten dwellings in a decade are allowed;
- All units must be constructed within eighteen months of approval for the project; and
- No structure can include more than four dwelling units.

Issue 1: Limits to the number of units and developments allowed.

In 2009, San Juan County adopted policy 5.2.D.15 in *Plan* Section B, Element 5, Housing, stating,

> "Provide for a limited number of small-scale rural residential cluster developments of no more than twelve dwelling units each…"

The Unified Development Code, which currently allows eight units in a cluster development, was never updated to reflect this policy. Affordable Housing non-profit, Homes for Islanders, submitted a 2020 Docket application (attachment A) requesting that the code be updated to allow twelve dwelling units in a rural residential cluster, according to the 2009 Housing Element policy.

Staff recommendation: Update SJCC 18.60.230(C)(5)(b) to allow a maximum of twelve dwelling units in a rural residential cluster.

This update will make the development code reflect a policy the County adopted 11 years ago. This code change will allow developers to create up to four more affordable housing units than currently allowed in cluster developments.

Increasing the allowed number of units in cluster developments would not increase the total units allowed across the county over time. The code sets limits on the number of new cluster units allowed in a decade and on a single island. In any one calendar decade not more than 100 dwelling units are allowed in total, and not more than 50 dwelling units are allowed on any one ferry served island. On other islands not more than 10 dwelling units are allowed on any one island per calendar decade. Making the above change would only alter how many units can be built together in one cluster; it would not change how many units could be built in total. For example, by the existing regulations, in one decade on one island six 8-unit clusters could be built, resulting in 48 new units. If the County adopted Option A, four 12-unit clusters could be built during that span, resulting in 48 new units.

Increasing the allowed number of units in a cluster may make this affordable housing model more financially viable or compelling for developers who can utilize greater portion of the underlying land. This financial incentive may lead to more affordable housing units. The development of more rural residential clusters would serve the County's need for more affordable housing units and options.

From an administrative standpoint, this increase is simple to implement. The Department of Community Development reviews building permit applications for compliance with land use regulations, including density. The increase simply changes the limit on the number of units allowed in a cluster and would not alter the permit review process.

As this code change is directly supported by a policy adopted in the Plan, staff is not providing analysis of alternative actions. Allowing 12 units in a cluster was part of the 2009 *Plan* housing policies. Making this code change to reflect the *Plan* will show that the tangible link between policy and code.

Issue 2: Limits to the size of cluster development structures.

SJCC 18.60.230(C)(6) limits the total enclosed floor area of structures, including dwelling units and accessory structures, to 1,500 square feet per dwelling unit in rural residential clusters. Homes for Islanders submitted a 2020 Docket application requesting that the allowed square footage for dwelling units, not including accessory structures, be increased to 1,750 square feet. The stated intent behind the requested increase is to allow larger families, who need more bedrooms, to occupy rural residential clusters.

The 2009 Housing Element provides support for the Homes for Islanders request. Its first objective is:

> To make adequate provision for a variety of housing choices in terms of type, cost, size, design, and suitability for various households including families, the elderly, the disabled, and housing for very low-, low-, moderate-, middle- and low-upper-income households while recognizing the unique physical, social, and economic environment of the islands.

Increasing the allowed square footage for dwelling units in cluster developments is an opportunity to work toward the objective of making affordable housing available for families of various sizes. Small lot sizes can be a limiting factor for affordable housing units in activity centers and urban growth areas. Some lots are compact and cannot house large dwelling units. Large dwelling units may also not be suitable for multifamily housing developments. If the County supports the development of affordable housing units for larger families, rural residential clusters would be a good place to allow these larger units.

One concern has been that larger houses are by nature more expensive and are therefore not affordable. However, the income thresholds for affordable housing are based on household size, meaning that a larger family in need of a larger house could qualify for affordable housing with a higher income than a smaller family.

Options A and B, below, provide two methods for increasing the allowed size of dwelling units in clusters.

Option A: Change SJCC 18.60.230(C)(6) to increase the maximum allowed square footage for dwellings in rural residential cluster developments to 1,750 square feet, not including accessory structures. [Homes for Islanders request]

Option A increases the allowed square footage for dwelling units with no limit to the size of accessory structures. A 1,750 square foot house typically allows for 3-4 bedrooms, which would address the concern about clusters being unable to serve larger families.

In increasing the allowed square footage for the dwelling unit, the code would still need to limit all square footage associated with the dwelling, including accessory structures. Accessory dwelling units are not allowed at cluster developments. Without a set size limit either for individual accessory structures, or for the combined square feet of dwelling units and their accessory structures, Option A would allow larger homes to be accompanied any size accessory structure. Cluster developments could become over-developed if there are no limits to the size of accessory structures.

It is unlikely that developers would propose large homes with large accessory structures when the homes must be affordable for low- to middle-income households. Large accessory structures can be costly to build, so they may be incompatible with affordable housing. Still, the development code should set size limits so that the County can regulate accessory structures in the case that something incompatible with rural lands was proposed.

Option B: Change SJCC 18.60.230(C)(6) to increase the maximum allowed square footage for dwellings and accessory structures to 2,000 square feet.

Option B increases the total square feet allowed for dwellings and accessory structures in a cluster development. This gives the developer the flexibility of allocating square footage where they like, whether it is entirely to the dwelling unit or to a smaller home and larger accessory structure. A 2,000 square foot house could allow for 4-5 bedrooms, which would address the concern about clusters being unable to serve larger families.

Option B is simple for DCD to implement. Building permit reviewers currently must check to ensure that proposed structures in clusters meet the size limitations. Option B simply changes the size limits and would not alter the review process.

Option C: No change to SJCC 18.60.230(C)(6).

The County is not required to make a change to the allowed square footage of cluster developments. Maintaining the existing size limitations allow for the development of homes up to 1,500 square feet, which is typically 2-3 bedrooms. Accessory structures count toward the 1,500 square feet limitation, meaning that choosing to build homes with accessory structures results in small homes. Option C is effective at maintaining rural character because the dwelling units take up less space, and fewer people can live at the cluster, putting less load on roads, water sources and septic systems. However, this option does nothing to address the County's need for affordable housing units for larger families.

Staff Recommendation

Staff recommends Option B, which allows larger homes to be built to accommodate larger families while also giving developers the flexibility of allocating space between dwelling units and accessory structures. Option B regulates the size of accessory structures by capping the total combined allowed square feet, unlike option A, which puts no limit on accessory structures. Option B balances preservation of rural character with the need for affordable housing for larger families, while giving developers flexibility to allocate space. Increasing the allowed square feet for cluster dwelling units could be a strategic option for accomplishing the County's goal of supporting affordable housing for a variety of household types, including larger low- to middle-income families.

Issue 3: Cluster development ownership requirements.

The ownership requirements for rural residential cluster developments exclude private developers (except those in the business of affordable housing). SJCC 18.60.230(C)(2)(a) states:

> "The project site shall consist of the entirety of one or more legal lots of record, <u>and shall be in a single ownership by a public agency, or by a business or nonprofit corporation in the business of providing affordable housing</u>. Any portion of the site not sold for affordable housing shall remain in such ownership as part of the rural residential cluster development for the duration of the use."

The public has brought this issue to DCD's attention because it limits who can develop this form of affordable housing. The affordable housing code in 19.60.260 allows any developer to create affordable housing if they provide assurance of affordability. There does not seem to be anything unique about cluster developments that would require restrictions on who can build them. Regardless of who builds clusters, San Juan County will have the public benefit of achieving more affordable housing because any builder must provide assurance of affordability.

Option A: Delete "by a public agency, or by a business or nonprofit corporation in the business of providing affordable housing" in SJCC 18.60.230(C)(2)(a).

Option A would allow any developer to build rural residential cluster developments according to the standards set forth in SJCC 18.60.230. This would broaden the range of who may develop this form of affordable housing.

Some benefits of Option A are:

- It would remove a barrier to the provision of affordable housing, a housing type the County has demonstrated a strong need for, by broadening the range of allowed developers.
- The cluster development code would more closely resemble the affordable housing code

Drawbacks to Option A:

- Though the overall limits on the number of units allowed per decade would still apply, more development may occur in rural areas because more developers can make cottage clusters. This could impact rural character.
- Private developers would be competing with affordable housing providers for limited allowed developments.

Option B: No change to SJCC 18.60.230(C)(2)(a).

This would continue to require the land cluster developments are built on to be owned by public agency, a nonprofit housing provider, or a private corporation in the business of affordable housing.

Staff Recommendation

Staff recommends Option A. By deleting the section of SJCC 18.60.230(C)(2)(a) limiting who must own the land cluster developments are built on, the result of Option A makes the cluster development code more closely resemble the general affordable housing code. Restricting who can develop clusters in the cluster code currently inhibits affordable housing development. Making the change suggested in Option A will open up more opportunities for affordable housing and reflects the County's goal of supporting the development of housing for various household types and very-low to middle-income levels.

Issue 4: Assurance of Affordability Requirements.

Issue: Rural residential clusters are limited to one of the four methods of assurance of affordability listed in the affordable housing code.

Background: All units in Rural residential cluster developments must be affordable by meeting the standards in the affordable housing code in 18.60.260. There are four options for assuring long-term affordability in the affordable housing code. SJCC 18.60.260(D) states:

> D. Long-Term Affordability. In order to qualify as affordable housing, housing must provide assurance of affordability to applicable income groups for at least 50 years for ownership housing and 20 years for rental housing by one or more of the following methods:
>
> 1. Ownership of land or land and structures by a public agency or nonprofit housing provider;
>
> 2. Granting of a restrictive use easement in a form specified by the County for the portions of the site encompassing the affordable units to San Juan County for the purpose of affordable housing development;
>
> 3. In the case of rental housing only, the units are subject to a contract with a housing provider which assures their affordability for a minimum of 20 years; or
>
> 4. Housing which because of its size, location, amenities, restrictions on development or use, or other characteristics, has been specifically determined by resolution of the board of County commissioners to be affordable.

However, SJCC 18.60.230(C)(3)(b) requires that cluster developments adhere to the second option in SJCC 18.60.260(D), rather than selecting one of the four options. SJCC 18.60.230(C)(3)(b) requires:

> b. Prior to issuance of any building permit for the project, the applicant shall grant a restrictive use easement for the site to San Juan County for the purpose of affordable housing development, subject to such conditions and limitations as the County may require.

Homes for Islanders submitted 2020 Docket application 20-0002, requesting that 18.60.230(C)(3)(b) be deleted so that developers can choose between the four assurance of long-term affordability options listed in the affordable housing code.

Option A: Amend SJCC 18.60.230(C)(3)(b) to require developers to demonstrate assurance of affordability by the options listed in SJCC 18.60.260(D)(1) through (3) or 19.60.260(E)(1) and (2).

By following Option A, developers would no longer be required to grant restrictive use easements to the County for sites being used for cluster affordable housing. Instead, they could provide assurance of long-term affordability by one or more of methods 1-3, or permanent affordability by either or both of the methods in methods 1-2, listed in the affordable housing code. SJCC 18.60.260(D) presents four methods, however cluster developments should be limited to the first three because the fourth allows development without a binding legal agreement:

> 4. Housing which because of its size, location, amenities, restrictions on development or use, or other characteristics, has been specifically determined by resolution of the ~~board of County commissioners~~ County Council to be affordable.

SJCC 18.60.260(D)(4) allows the County Council to determine that a development is affordable due to certain characteristics. The same provision is allowed in the requirements for permanently affordable housing in SJCC 18.60.260(E)(3). Subsection 4 assumes that some types of housing are by nature affordable and do not require legal agreement to ensure affordability in order to benefit from affordability privileges/allowances. By SJCC 18.60.260(D)(4) and 18.60.260(E)(3), there is nothing to legally prevent the owner from selling or renting units at market rate. The units in cluster developments could easily be sold or rented at market rate if there were no legally binding assurance of affordability. The County gives a density bonus in return for the public benefit of affordable housing when allowing cluster developments. To justify this trade-off, there must be legally binding assurance of affordability ensuring that cluster developments are affordable long-term, if not permanently.

No other change would need to be made to the rural residential cluster development code to assure affordability, as SJCC 18.60.230(C)(3)(a) requires that cluster developments meet all the standards of the affordable housing code in SJCC 18.60.260.

Option A does complicate cluster developments from an administrative standpoint because it opens more options for assuring affordability. Rather than automatically requiring restrictive use easements for new clusters, the County will need to ensure that the developer appropriately selects and follows through on the method of their choice. While Option A does allow for more variability than the existing regulations, the resulting change would allow clusters to follow the same requirements as the general affordable housing code, which the County is familiar with.

Option B: No change to SJCC 18.60.230(C)(3)(b).

Option B would continue to require restrictive use easements for cluster developments. One benefit to Option B is that restrictive use easements are a strong guarantee of affordability. They are legally binding on the property and make affordability requirements easy for the County to enforce. This option restricts cluster developers from the flexibility of selecting from the options in the affordable housing code.

Staff Recommendation

Staff recommends Option A. In combination with Issue 4, Option A, this would free up cluster developers to have the option of providing assurance of affordability by one or more of the first three methods described in SJCC 18.60.260(D). Staff has not identified any characteristic of rural residential cluster developments that would require restrictive use easements over the other methods for assuring affordability. It does not make sense to present four options to choose from, but then to require one option outright. Staff believes that any of the first three options listed in the affordable housing code would provide adequate assurance of affordability for cluster developments. Allowing developers to choose how they want to assure affordability may make clusters a more appealing affordable housing model.

Possible Code Changes from Recommended Options

The following sections shows what changes could be made to cluster development code if the recommended options were chosen for the issues discussed in this staff report.

SJCC 18.60.230 Rural residential cluster development.

A. Purpose. A rural residential cluster development is a small cluster of residences and related structures intended to provide opportunities for affordable housing and small scale agriculture in rural areas. The standards and procedures provided below are intended to ensure that such developments remain compatible with the rural, agricultural and natural character of rural and resource lands; prohibit suburban sprawl; and do not require urban-level services.

B. Applicability. An applicant intending to develop a rural residential cluster must file a use permit application, subdivision or binding site plan application appropriate to the project as provided in SJCC 18.80.180.

C. Minimum Standards.

1. Land Use Districts.

a. The rural residential cluster may be located within any of the following land use districts: village residential, hamlet residential, rural residential, or rural farm forest.

b. A rural residential cluster shall not be located in an urban growth area nor in any of the following land use districts: rural general use, island center, master planned resort, agricultural resource, forest resource, conservancy, natural, or any industrial or commercial district. The developed portion of a rural residential cluster shall not be located in lands subject to the Shoreline Management Act.

2. Project Site and Unit Ownership.

a. The project site shall consist of the entirety of one or more legal lots of record, and shall be in a single ownership ~~by a public agency, or by a business or nonprofit corporation in the business of providing affordable housing~~. Any portion of the site not sold for affordable housing shall remain in such ownership as part of the rural residential cluster development for the duration of the use.

b. Individual residential units may be rented, leased or sold, consistent with the purpose of this section.

c. Further subdivision of the parcel or parcels shall be consistent with the purpose of this section.

3. Affordable Housing.

a. All residential units within a rural residential cluster must be affordable housing meeting the standards of SJCC 18.60.260.

b. Prior to issuance of any building permit for the project, the applicant shall ~~grant a restrictive use easement for the site to San Juan County for the purpose of affordable housing development, subject to such conditions and limitations as the County may require~~ <u>provide assurance of affordability to applicable income groups by one or more of the methods in either 18.60.260(D)(1) through (3) or 18.60.260(E)(1) and (2).</u>

4. Site Design.

a. The site design of the rural residential cluster development shall comply with the site design guidelines of subsection (G) of this section.

b. The site design of the project as a whole shall comply with the applicable dimensional standards of Table 6.1 or 6.2 in SJCC 18.60.050 with respect to adjacent properties.

5. Maximum Allowable Residential Density and Number of Dwelling Units.

a. A rural residential cluster development shall not be subject to the density requirements of the land use district in which it is located, except for such requirements in which rural residential development is regulated by name.

b. A rural residential cluster development shall have a maximum density of two units per acre and a maximum of ~~eight~~ twelve dwelling units.

6. Allowed and Accessory Uses, and Accessory Structures. Only residential uses are allowed except as provided below. Accessory residential units are prohibited. Accessory uses shall be limited to those appropriate and necessary to residential and agricultural use, including the following:

a. Agricultural buildings for housing of animals, storage of agricultural equipment or products, maintenance of equipment used on the site, or processing of agricultural products grown on the site, if otherwise permitted in the district in which the project is located;

b. Structures for the on-site sale of products grown or manufactured on the site, not to exceed 500 square feet of floor area, if otherwise permitted in the district in which the project is located;

c. Common kitchen, meeting or recreation spaces for residents and their guests;

d. Offices for a nonprofit housing provider owning or operating the project, not to exceed 500 square feet of floor area.

The total enclosed floor area of structures including dwelling units and accessory structures shall not exceed ~~1,500~~ 2,000 square feet per dwelling unit.

7. Access to Shorelines – Common Easements. A rural residential cluster adjacent to water and subject to the jurisdiction of the Shoreline Master Program shall dedicate a common area for residents' access to the shoreline area.

8. Water Quality. Meet the requirements specified in SJCC 18.60.020, 18.60.060(B) and 18.60.070.

9. Water Quantity. Demonstrate adequate and available water to serve the development (see also SJCC 18.60.020).

10. Stormwater Management. Meet the requirements and standards of SJCC 18.60.060(B) and (C) and 18.60.070.

11. Open space and landscaped areas shall be designed as an integrated part of the rural residential cluster rather than as an isolated element. A landscaping plan shall be prepared consistent with the requirements of and incorporating the development standards in SJCC 18.60.160. Landscape screening shall be established

along the perimeter, appropriate to the project and its surrounding environment, if required by the administrator. All existing trees greater than six inches in diameter at breast height within the project area and its buffer areas shall be retained whenever feasible.

12. Roads, streets, and access drives within and adjacent to the rural residential cluster shall meet the requirements specified in SJCC 18.60.080 through 18.60.180 and Table 6.3 in SJCC 18.60.100.

13. Parking shall be screened from view from public rights-of-way.

D. Limitation on Number of Rural Residential Clusters. The number of rural residential cluster developments shall not exceed the following:

1. On San Juan, Orcas, Lopez and Shaw Islands combined, outside of village, hamlet or residential activity centers:

a. Not more than three clusters in any one calendar year;

b. In any calendar decade:

i. Not more than 100 dwelling units; and

ii. Not more than 50 dwelling units on any one island.

2. On other islands, not more than 10 dwelling units on any one island per calendar decade.

3. The administrator shall establish procedures for submitting applications for rural residential cluster developments, and may establish criteria for competitive evaluation of such applications if more applications are received than may be approved for a given calendar year period. Such evaluation may consider the location of the proposed clusters in relation to identified housing need; the number of units provided; the availability of units to income groups and household types, including families with children, in greatest need of affordable housing; the current allocation of such clusters among the various islands; the design and location of the clusters for which applications are received; and the demonstrated ability of the applicant to perform based on financial and other factors. In developing such criteria and evaluating competing projects, the administrator shall consult with the housing advisory board.

E. Timely Development Required. Rural residential cluster developments are intended to meet a portion of the County's needs for affordable housing, and the expectation that rural residential cluster developments will be constructed promptly following approval is an important consideration in evaluating such projects. Approval of a rural residential cluster may be withdrawn if the applicant does not meet any of the following milestones for development of the proposed project:

1. Building permits issued for at least 50 percent of the units no later than 18 months from final approval of the short subdivision, long subdivision or binding site plan for the rural residential cluster;

2. Building construction shall commence no later than 36 months from final approval of the short subdivision, long subdivision or binding site plan for the rural residential cluster;

3. Project constructed and all units available for occupancy no later than 18 months from approval.

F. Separation. A rural residential cluster development located outside of a village, hamlet or residential activity center shall not be developed in such a way that any habitable structure is located within 1,200 feet of a habitable structure in another rural residential cluster development located outside of a village, hamlet or residential activity center.

G. Design Guidelines. The plot plan (cf. SJCC 18.80.020(C)(11)(c)) and building plans shall demonstrate compliance with the following design guidelines. The application submitted for the project shall specifically indicate how the project addresses each of the following design issues:

1. Visual Shielding from Surrounding Uses and County Roads.

a. The project design shall provide for effective use of terrain, landscape screening, natural vegetation, and the layout and design of structures, to minimize the visibility and the visual impact of the project, as seen from existing residences on surrounding properties, and from County roads.

b. The administrator may require that a visual study including a visual prototype review period be provided. The building prototype shall be a temporary framework sufficiently visible to clearly and accurately show the proposed volume of structures on the site from those locations from which the structures would be visible.

2. Small-Scale Structures and Articulated Building Surfaces. The visual character of the project shall express the single-family residential character of the project, and shall avoid use of large or bulky structures, large blank surfaces, large retaining walls or other site improvements. In order to minimize the height, bulk and visual impact of the project, the following limitations shall apply:

a. No structure shall include more than 3,500 square feet of covered floor area.

b. No structure shall include more than four dwelling units.

c. No structure shall exceed a building height of two stories or 30 feet.

d. Any structure incorporating more than one dwelling unit shall provide an obvious exterior expression of each dwelling unit using one or more of the following methods:

i. A horizontal setback at least six feet deep between units for a distance of at least 12 feet;

ii. Articulated surfaces in which a variation of at least six feet in the setback at least six feet wide occurs at least every 30 feet;

iii. Articulated surfaces in which the horizontal alignment of the exterior wall of adjacent residential units varies by at least 22.5 degrees;

iv. A difference of at least 22.5 degrees in the horizontal direction of roof pitch, or a difference in roof elevation of at least two feet in height, for a minimum distance of 12 feet, between units;

v. Other architectural devices approved by the administrator providing at least the visual identification of individual dwelling units provided by subsections (G)(2)(d)(i) through (iv) of this section.

3. Conservation Design. All rural residential cluster development, including development in activity centers, shall be subject to the conservation design standards of SJCC 18.70.060(B)(10).

Attachment A

SAN JUAN COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT

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DATE RECEIVED
SJC DEPARTMENT OF
FEB 26 2020
COMMUNITY DEVELOPMENT

Comprehensive Plan Text/SJC Code* Amendment Request

*San Juan County Code Titles 15, 16 & 18
(Annual Docket)

APPLICANT INFORMATION:

Name of Applicant:	Homes for Islanders	Name of Agent:	Justin Roche
City, State, Zip	P O Box 545 Friday Harbor, WA 98250	Address	PO Box 3394
Phone	360-370-5944	City, State, Zip	Friday Harbor, WA 98250
Email	director@homesforislanders.org	Phone	360-393-9282
		E-mail	rochejustin@hotmail.com

This request is for a text amendment to the Comprehensive Plan or development regulations, not a comprehensive plan map amendment. I understand that this request will be reviewed according to the County's annual docket process.

Signature	Justin Roche *Printed Name*	Feb 5, 2020 *Date*
Signature	*Printed Name*	*Date*

Please Describe the Proposed Amendments (attach additional pages if you need more space):

1. Comprehensive Plan – Describe proposed amendment and/or attach proposed text changes. List Comprehensive plan section, page numbers, title and policies proposed for amendment.

No proposed changes to the Comprehensive Plan, only to the San Juan County Code.

2. San Juan County Code Title 15, Title 16 or Title 18. Describe proposed amendments and/or attach proposed text changes. List code sections proposed for amendment.

Proposed changes are attached in the form of a proposed ordinance that would change the following sections of the San Juan County Code, Title 18:
18.60.230(C)3b;
18.60.230(C)5b;
18.60.230(C)6e; and
18.60.260(G)

3. Why are the amendments being proposed?

The changes to four areas of the San Juan County Code are being proposed in an attempt to improve the utilization of the County's rural residential cluster develpments and resolve conflicts within the San Juan County Code.

Two of the proposed changes are intended to resolve conflicts within the San Juan County Code.

One proposed change simply implements a recommendation contained within the Housing Element of the Comprehensive Plan. A change that is more than a decade overdue.

Another proposed change addresses practical concerns regarding family-sized square-footage limitations contained within the rural residential cluster section of the code.

The intended aggregate impact of the proposed changes is to repair the broken rural residential cluster section of the San Juan County Code. We hope these repairs will help increase the practical availability of affordable housing options in San Juan County.

4. How is the proposed amendment consistent with the Growth Management Act (RCW 36.70A), Comprehensive Plan and development regulations?

RCW 36.770A.070(2) requires counties to have a housing element that "identifies sufficient land for housing including, but not limited to government assissted housing, housing for low income families, manufactured housing [...]; and (d) makes adequate provision for existing and projected needs of all economic segments of the community."

San Juan County is a mostly rural community with only one densely populated UGA on each island. While the UGA's are the logical place for affordable housing, they are not always convenient to work or where people wish to live. More important, the rural areas are the only alternative when the UGA's have no available land for single family development.

Finally, GM requires that plans must be implemented. (Achen vs Clark County 95-2-0067)

5. Does this proposal impact an Urban Growth Area (UGA)? Lopez Village, Eastsound and the Town of Friday Harbor are the only UGAs in the County.

Yes, indicate UGA_____

No, this proposal does not impact an Urban Growth Area.

6. Does this proposal increase population or employment capacity?

This proposal aims to repair the broken and therefore unused rural residential cluster section of the San Juan County Code. A usable rural residential cluster provision will allow for construction of more affordable homes in the San Juans, which will allow more working families to afford to remain in the community or return to the community where they grew up.

ORDINANCE NO. _____ - 2020

REGARDING RURAL RESIDENTIAL CLUSER DEVELOPMENT AND AFFORDABLE HOUSING;
AMENDING SAN JUAN COUNTY CODE SECTION 18.60.230 AND SAN JUAN COUNTY CODE SECTION 18.60.260

WHEREAS, the San Juan County Council recognizes the need for and benefit of affordable housing programs in San Juan County;

WHEREAS, San Juan County Code provides development incentives and restrictions for rural residential cluster developments in the rural unincorporated areas of the County;

WHEREAS, in 2005-2007 the non-profit organization Homes for Islanders constructed Leeward Cove and Rocky Bay residential developments on San Juan Island as a rural residential cluster developments;

WHEREAS, despite a strong housing market and the need for affordable housing in San Juan County, no rural residential cluster developments have been created since Rocky Bay in 2007;

WHEREAS, the San Juan County Council desires to make changes to San Juan County Code to improve the utilization of the County's rural residential cluster developments; p

WHEREAS, San Juan County Code 18.60.230(C)3b conflicts with and limits the operability of San Juan County Code 18.60.260(D);

WHEREAS, San Juan County Code 18.60.230(C)5b limits rural residential clusters to eight dwelling units and the San Juan County Comprehensive Plan (Housing Element Section 5.2.D.15) recommends increasing the limit to twelve;

WHEREAS, San Juan County Code 18.60.230(C)6e limits the floor area of each dwelling unit to 1,500 square feet which effectively prohibits four-bedroom dwelling units designed for families with children; and

WHEREAS, San Juan County Code 18.60.260(G) references the undefined term middle-income and unnecessarily limits the number of middle-income dwelling units in a rural residential cluster development;

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

Section 1. San Juan County Code Section 18.60.230 is amended to reach as follows:

18.60.230 Rural residential cluster development.

A. Purpose. A rural residential cluster development is a small cluster of residences and related structures intended to provide opportunities for affordable housing and small scale agriculture in rural areas. The standards and procedures provided below are intended to ensure that such developments remain compatible with the rural, agricultural and natural character of rural and resource lands; prohibit suburban sprawl; and do not require urban-level services.

B. Applicability. An applicant intending to develop a rural residential cluster must file a use permit application, subdivision or binding site plan application appropriate to the project as provided in SJCC 18.80.180.

C. Minimum Standards.

1. Land Use Districts.

a. The rural residential cluster may be located within any of the following land use districts: village residential, hamlet residential, rural residential, or rural farm forest.

b. A rural residential cluster shall not be located in an urban growth area nor in any of the following land use districts: rural general use, island center, master planned resort, agricultural resource, forest resource, conservancy, natural, or any industrial or commercial district. The developed portion of a rural residential cluster shall not be located in lands subject to the Shoreline Management Act.

2. Project Site and Unit Ownership.

a. The project site shall consist of the entirety of one or more legal lots of record, and shall be in a single ownership by a public agency, or by a business or nonprofit corporation in the business of providing affordable housing. Any portion of the site not sold for affordable housing shall remain in such ownership as part of the rural residential cluster development for the duration of the use.

b. Individual residential units may be rented, leased or sold, consistent with the purpose of this section.

c. Further subdivision of the parcel or parcels shall be consistent with the purpose of this section.

3. Affordable Housing.

a. All residential units within a rural residential cluster must be affordable housing meeting the standards of SJCC 18.60.260.

~~b. Prior to issuance of any building permit for the project, the applicant shall grant a restrictive use easement for the site to San Juan County for the purpose of affordable housing development, subject to such conditions and limitations as the County may require.~~

4. Site Design.

a. The site design of the rural residential cluster development shall comply with the site design guidelines of subsection (G) of this section.

b. The site design of the project as a whole shall comply with the applicable dimensional standards of Table 6.1 or 6.2 in SJCC 18.60.050 with respect to adjacent properties.

5. Maximum Allowable Residential Density and Number of Dwelling Units.

a. A rural residential cluster development shall not be subject to the density requirements of the land use district in which it is located, except for such requirements in which rural residential development is regulated by name.

b. A rural residential cluster development shall have a maximum density of two units per acre and a maximum of ~~eight~~ twelve dwelling units.

6. Allowed and Accessory Uses, and Accessory Structures. Only residential uses are allowed except as provided below. Accessory residential units are prohibited. Accessory uses shall be limited to those appropriate and necessary to residential and agricultural use, including the following:

a. Agricultural buildings for housing of animals, storage of agricultural equipment or products, maintenance of equipment used on the site, or processing of agricultural products grown on the site, if otherwise permitted in the district in which the project is located;

b. Structures for the on-site sale of products grown or manufactured on the site, not to exceed 500 square feet of floor area, if otherwise permitted in the district in which the project is located;

c. Common kitchen, meeting or recreation spaces for residents and their guests;

d. Offices for a nonprofit housing provider owning or operating the project, not to exceed 500 square feet of floor area.

e. The total enclosed floor area of ~~structures including~~ dwelling units ~~and accessory structures~~ shall not exceed ~~1,500~~ 1,750 square feet ~~per dwelling unit~~. In addition, total

enclosed floor area for each dwelling unit shall be limited to 750 square feet plus an additional 250 square feet afforded for each bedroom.

f. The total enclosed floor area of ~~structures including dwelling units and accessory~~ all other structures shall not exceed 1,500 square feet ~~per dwelling unit~~.

7. Access to Shorelines – Common Easements. A rural residential cluster adjacent to water and subject to the jurisdiction of the Shoreline Master Program shall dedicate a common area for residents' access to the shoreline area.

8. Water Quality. Meet the requirements specified in SJCC 18.60.020, 18.60.060(B) and 18.60.070.

9. Water Quantity. Demonstrate adequate and available water to serve the development (see also SJCC 18.60.020).

10. Stormwater Management. Meet the requirements and standards of SJCC 18.60.060(B) and (C) and 18.60.070.

11. Open space and landscaped areas shall be designed as an integrated part of the rural residential cluster rather than as an isolated element. A landscaping plan shall be prepared consistent with the requirements of and incorporating the development standards in SJCC 18.60.160. Landscape screening shall be established along the perimeter, appropriate to the project and its surrounding environment, if required by the administrator. All existing trees greater than six inches in diameter at breast height within the project area and its buffer areas shall be retained whenever feasible.

12. Roads, streets, and access drives within and adjacent to the rural residential cluster shall meet the requirements specified in SJCC 18.60.080 through 18.60.180 and Table 6.3 in SJCC 18.60.100.

13. Parking shall be screened from view from public rights-of-way.

D. Limitation on Number of Rural Residential Clusters. The number of rural residential cluster developments shall not exceed the following:

1. On San Juan, Orcas, Lopez and Shaw Islands combined, outside of village, hamlet or residential activity centers:

a. Not more than three clusters in any one calendar year;

b. In any calendar decade:

i. Not more than 100 dwelling units; and

ii. Not more than 50 dwelling units on any one island.

2. On other islands, not more than 10 dwelling units on any one island per calendar decade.

3. The administrator shall establish procedures for submitting applications for rural residential cluster developments, and may establish criteria for competitive evaluation of such applications if more applications are received than may be approved for a given calendar year period. Such evaluation may consider the location of the proposed clusters in relation to identified housing need; the number of units provided; the availability of units to income groups and household types, including families with children, in greatest need of affordable housing; the current allocation of such clusters among the various islands; the design and location of the clusters for which applications are received; and the demonstrated ability of the applicant to perform based on financial and other factors. In developing such criteria and evaluating competing projects, the administrator shall consult with the housing advisory board.

E. Timely Development Required. Rural residential cluster developments are intended to meet a portion of the County's needs for affordable housing, and the expectation that rural residential cluster developments will be constructed promptly following approval is an important consideration in evaluating such projects. Approval of a rural residential cluster may be withdrawn if the applicant does not meet any of the following milestones for development of the proposed project:

1. Building permits issued for at least 50 percent of the units no later than 18 months from final approval of the short subdivision, long subdivision or binding site plan for the rural residential cluster;

2. Building construction shall commence no later than 36 months from final approval of the short subdivision, long subdivision or binding site plan for the rural residential cluster;

3. Project constructed and all units available for occupancy no later than 18 months from approval.

F. Separation. A rural residential cluster development located outside of a village, hamlet or residential activity center shall not be developed in such a way that any habitable structure is located within 1,200 feet of a habitable structure in another rural residential cluster development located outside of a village, hamlet or residential activity center.

G. Design Guidelines. The plot plan (cf. SJCC 18.80.020(C)(11)(c)) and building plans shall demonstrate compliance with the following design guidelines. The application submitted for the project shall specifically indicate how the project addresses each of the following design issues:

1. Visual Shielding from Surrounding Uses and County Roads.

a. The project design shall provide for effective use of terrain, landscape screening, natural vegetation, and the layout and design of structures, to minimize the visibility and the visual impact of the project, as seen from existing residences on surrounding properties, and from County roads.

b. The administrator may require that a visual study including a visual prototype review period be provided. The building prototype shall be a temporary framework sufficiently visible to clearly and accurately show the proposed volume of structures on the site from those locations from which the structures would be visible.

2. Small-Scale Structures and Articulated Building Surfaces. The visual character of the project shall express the single-family residential character of the project, and shall avoid use of large or bulky structures, large blank surfaces, large retaining walls or other site improvements. In order to minimize the height, bulk and visual impact of the project, the following limitations shall apply:

a. No structure shall include more than 3,500 square feet of covered floor area.

b. No structure shall include more than four dwelling units.

c. No structure shall exceed a building height of two stories or 30 feet.

d. Any structure incorporating more than one dwelling unit shall provide an obvious exterior expression of each dwelling unit using one or more of the following methods:

i. A horizontal setback at least six feet deep between units for a distance of at least 12 feet;

ii. Articulated surfaces in which a variation of at least six feet in the setback at least six feet wide occurs at least every 30 feet;

iii. Articulated surfaces in which the horizontal alignment of the exterior wall of adjacent residential units varies by at least 22.5 degrees;

iv. A difference of at least 22.5 degrees in the horizontal direction of roof pitch, or a difference in roof elevation of at least two feet in height, for a minimum distance of 12 feet, between units;

v. Other architectural devices approved by the administrator providing at least the visual identification of individual dwelling units provided by subsections (G)(2)(d)(i) through (iv) of this section.

3. Conservation Design. All rural residential cluster development, including development in activity centers, shall be subject to the conservation design standards of SJCC 18.70.060(B)(10). (Ord. 7-2005 § 18; Ord. 12-2001 § 6; Ord. 11-2000 § 5; Ord. 2-1998 Exh. B § 6.21)

Section 2. San Juan County Code Section 18.60.260 is amended to reach as follows:

18.60.260 Affordable housing.

A. Purpose. The purpose of this section is to set forth the conditions under which housing may qualify as affordable housing for the purpose of density bonuses or other provisions of the comprehensive plan or unified development code.

B. Affordable housing is housing where the occupants pay no more than 30 percent of gross monthly income for total housing costs, including the cost of property taxes and insurance for homeowners and monthly utilities, excluding telephone, for owners and renters. Except where further specified in the Comprehensive Plan and this code, "affordable housing" refers to such housing serving as the primary residence for very low-, low-, moderate- and middle-income households. The definition of income groups by household size shall be as most recently defined by the U.S. Department of Housing and Urban Development for San Juan County.

C. To qualify as affordable to a particular income group and family size, housing shall provide long-term affordability as defined below, and shall have an appropriate size and amenities and have a sufficient number of bedrooms to meet the needs for that family size as determined by the administrator, using appropriate information from the building code, the U.S. Department of Housing and Urban Development and the Washington State Office of Community Development.

D. Long-Term Affordability. In order to qualify as affordable housing, housing must provide assurance of affordability to applicable income groups for at least 50 years for ownership housing and 20 years for rental housing by one or more of the following methods:

1. Ownership of land or land and structures by a public agency or nonprofit housing provider;

2. Granting of a restrictive use easement in a form specified by the County for the portions of the site encompassing the affordable units to San Juan County for the purpose of affordable housing development;

3. In the case of rental housing only, the units are subject to a contract with a housing provider which assures their affordability for a minimum of 20 years; or

4. Housing which because of its size, location, amenities, restrictions on development or use, or other characteristics, has been specifically determined by resolution of the board of County commissioners to be affordable.

E. Permanently Affordable Housing. In order to qualify as permanently affordable housing, housing must provide assurance of affordability to applicable income groups for at least 99 years by one or more of the following methods:

1. Ownership of land or land and structures by a public agency or nonprofit housing provider with assurance of affordability for at least 99 years;

2. Granting of a restrictive use easement in a form specified by the County for the portions of the site encompassing the affordable units to San Juan County for the purpose of affordable housing development;

3. Housing which because of its size, location, amenities, restrictions on development or use, or other characteristics, has been specifically determined by resolution of the board of County commissioners to be permanently affordable.

F. Concurrent Development. Affordable housing units must be developed prior to or at the same time as other allowed residential units in any project granted a density bonus for affordable housing.

~~G. Limitation on Credit for Affordable Middle-Income Housing. No more than 25 percent of the dwelling units counted as affordable housing or permanently affordable housing for the purpose of obtaining a density bonus, use permit, or other special privilege reserved for affordable housing in any project may be for middle-income households.~~ (Ord. 11-2000 § 5; Ord. 2-1998 Exh. B § 6.24)

Section 3. Effective Date.
This Ordinance is effective on the 10th working day after adoption.

Section 4. Codification.
Sections 1 and 2 of this ordinance shall be codified.

ADOPTED this _____ day of _____ 2020.

ATTEST: Clerk of the Council

_____
Ingrid Gabriel, Clerk Date

REVIEWED BY COUNTY MANAGER

_____
Michael J. Thomas Date

RANDALL K. GAYLORD
APPROVED AS TO FORM ONLY

By: _____
Date

COUNTY COUNCIL
SAN JUAN COUNTY, WASHINGTON

_____
Jamie Stephens, Chair
District 3

_____
Rick Hughes, Vice-Chair
District 2

_____
Bill Watson, Member
District 1

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