



ISLAND COUNTY PLANNING COMMISSION AGENDA

April 16, 2025, at 6:00 p.m.

BOCC HEARING ROOM, ROOM 102B, 1 NE 6TH ST COUPEVILLE, WA

ONLINE VIA ZOOM

Meeting to be held in the Board of Island County Commissioners Hearing Room, Room 102B, 1NE 6th St., Coupeville, WA and online. Interested parties can attend or join remotely at the link or via phone number listed below:

Join Zoom Meeting

<https://zoom.us/j/93636892599?pwd=Y3NicFrc203OVZBTjBUenJyc21MQT09>

Meeting ID: 936 3689 2599

Passcode: 122086

+1 253 215 8782 US (Tacoma, WA)

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Passcode: 122086

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF MINUTES –
4. PUBLIC COMMENT – *Submittal of written comments are encouraged prior to the day of the meeting. Public Comment may be submitted via email to PlanningCommission@IslandCountyWA.gov. Please state your name and address when giving public testimony. Public comments are limited to 3 minutes per person.*
5. DIRECTOR'S REPORT –
6. WORKSHOP – Review and discuss changes to the forestry policies as part of the PBRs program.
7. WORKSHOP – Continue discussion of Housing Memo dated 3.19.25.
8. ADJOURN

Please visit our website for related documents: <https://www.islandcountywa.gov/235/Planning-Commission>

The public may submit comments in writing to Planning & Community Development at 1 NE 7th St., Coupeville, WA 98239 or PlanningCommission@IslandCountyWA.gov.



Island County Planning and Community Development

Jonathan Lange, AICP, CFM
Director

1 NE 7th St., Coupeville, WA 98239

Ph: Whidbey 360-679-7339 | Camano 360-387-3443 | Fax: 360-679-7306

Email: PlanningDept@islandcountywa.gov | <https://www.islandcountywa.gov/207/Planning-Community-Development>

~ Memorandum ~

TO: Planning Commission
FROM: Long Range Planning
DATE: April 16, 2025
SUBJECT: Updates to Chapter 3.40 – Island County Public Benefit Open Space Rating System

Update Chapter 3.40 – Island County Public Benefit Open Space Rating System

Island County Planning and Community Development seeks guidance on changes to Island County's Public Benefit Rating System (PBRs) program forestry policies.

Previous code changes in 2022 included, among other items, transitioning from providing points for "Rural forest lands/woodlots" which required a timber harvest plan, to adding a second option for Forest Stewardship. This update provided options for the landowners of Island County, whether they are planning on regularly harvesting their forestlands or keeping them in a healthy forested state.

It should be noted that no points are given for keeping a forest in a completely natural state, as at least some maintenance is required for forest health and to decrease the chance of forest fires.

Since the creation of this new category, just one PBRs application has been processed that requested points for a Forest Stewardship Plan.

Planning staff will review current PBRs requirements for Forestry and facilitate a discussion on possible amendments that are needed. Staff from the Assessor's office will also be on hand to address the Designated Forest program and answer questions about the differences between the Open Space programs.

In advance of this session, please review [code section 3.40.250.B](#) for current forestry options under PBRs.



Island County Planning and Community Development

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MEMORANDUM

3/19/2025

TO: Planning Commission

FROM: Long Range Planning

RE: 2025 Comprehensive Plan – Proposed Housing Solutions

Background:

The Housing Element of Island County's 2025 Comprehensive Plan update must comply with House Bill 1220 passed in 2021 by the Washington Legislature, which mandates that jurisdictions plan for and accommodate housing at all income levels. Under HB 1220, jurisdictions are required to evaluate whether they have sufficient land capacity to allow for the housing types and amounts identified at all income levels. If there is insufficient capacity, the jurisdiction must identify and implement zoning changes and land use allowances that provide enough capacity prior to adoption of the comprehensive plan.

As part of our [Countywide Planning Policies \(CPPs\)](#), housing was divided according to dwelling units by income level between the cities and unincorporated Island County. The majority of housing was allocated to our cities and towns, with 73% of the total housing going to the three municipal urban growth areas. Island County received 2,388 dwelling units (27% of the total housing) to plan for across our unincorporated lands and two islands. Long Range Planning staff conducted a [land capacity analysis](#) to better understand where deficiencies exist in our current housing supply and where we need to plan for additional capacity by income level. The analysis showed a large deficit of housing in the 0-50% area median income level (AMI).

In past comprehensive plans, Island County did not do enough to plan for housing at all income levels and as a result disparities exist across our communities. Working class families – teachers, restaurant and retail staff, health and childcare providers, landscapers, County employees, and more – struggle to afford to live and work in many places on Whidbey and Camano islands. To begin to undo the housing disparities that exist throughout the county, we must plan for more dense housing types to accommodate more income levels.

Meeting the housing allocations in our CPPs will require changes to our land use and zoning code. The Long Range Planning team has evaluated solutions for increasing density to meet our housing allocations, while maintaining consistency with our CPPs and the state laws under the Growth

Management Act. The County hosted two focus groups (December 2024 and January 2025) to engage representatives of non-profit housing developers, the building community, and major employers in discussing solutions for meeting our housing needs. The strategies that emerged were built around accommodating additional density where density already exists to protect rural lands.

Proposed Housing Solutions for Unincorporated Island County:

Freeland Non-Municipal Urban Growth Area:

The Freeland Non-Municipal Urban Growth Area is the County's only Urban Growth Area (UGA). Consistent with WAC 365-196-310, UGAs are intended to accommodate growth allocations during periodic updates of comprehensive plans. For the County's 2025 Comprehensive Plan update, Freeland must support housing growth to meet the County's share of housing allocations. The Freeland zoning code was updated in 2019 with densities consistent with urban standards. However, a sewer is integral for supporting growth and achieving the densities currently allowed in our zoning code for the Freeland NMUGA.

The Department of Commerce sent a letter to Island County on February 6, 2024, in response to our CPPs that states "Anywhere that <50% AMI housing is allocated will need to show an infrastructure plan that is funded in a 6-year capital improvement plan (CIP). The plan should indicate when sewer services will come online and the source and timing of funding. The county's current CIP plan does not provide enough detail to indicate that infrastructure can be accommodated to support the allocation of this housing need to the Freeland UGA."

The County will need to initiate further planning for a sewer in Freeland as part of the 2025 Comprehensive Plan update in order to meet our housing allocations and allow Freeland to realize the housing growth that it was zoned to support.

Limited Areas of More Intensive Rural Development (LAMIRD, also referred to as a RAID):

Limited Areas of More Intense Rural Development (LAMIRDs) are designated rural areas that are outside of cities and Urban Growth Areas that allow for greater density. They seek to limit rural sprawl by allowing for development, density of multiple use types, and the establishment of an outer boundary of more intense development. Recent changes to state law changes, Senate Bill 5275 for LAMIRDs (adopted in 2021), supports increased flexibility in LAMIRDs where there are public services and facilities to serve additional density. "Within a LAMIRD, any development or redevelopment of building size, scale, use, or intensity may be permitted subject to confirmation from all existing providers of public facilities and public services of sufficient capacity of existing public facilities and public services to serve any new or additional demand from the new development or redevelopment. Development and redevelopment may include changes in use from vacant land or a previously existing use so long as the new use is consistent with the local character."

Island County has 11 mixed-use LAMIRDs that are identified in our zoning code under Rural Village, Rural Center, and Camano Gateway Village. There are four mixed-use LAMIRDs on Camano, two on north Whidbey, and five on south Whidbey. Kimley Horn conducted an [analysis of the mixed-use LAMIRDs](#) and made recommendations for better utilizing these already dense areas to support additional housing. The recommendation included allowing:

- Up to 12 dwelling units per acre (with a density bonus, see next section).
- Max 8 units per building.
- 0.5-acre minimum lot size.
- Increase building heights to 40 feet.
- Conditional use (Type 2) required for all buildings over 6,000 square feet.
- Waiver of commercial requirement for mixed-use on some lots when commercial percentage in LAMIRD is already sufficient to meet job requirements.

To accomplish the development of more dense housing types in our LAMIRDs, close coordination with Island County Public Health will be required to ensure septic and public water can support the development. The results of the current septic study that Health is conducting with a consultant will inform this work.

Affordable Housing Incentives:

Part of the comprehensive plan update asks jurisdictions to rezone land to create capacity for affordable housing projects to exist. Without incentives and funding at the local state and federal levels, the housing will not get built. Incentives can be a valuable tool to facilitate affordable housing development. The following affordable housing incentives are recommended as part of the zoning changes:

- For the increased densities allowed in mixed-use LAMIRDs, a base density of up to 8 dwelling units would be allowed for all projects. For affordable housing developments, up to 12 dwelling units would be allowed.
- For market rate multi-family projects that do not include any affordable housing, a fee would be added to the permit to be used towards the development of affordable housing.
- Incentives will also be available to affordable developments that include 10% or more of their project at 80% AMI or below including reductions in the requirements for parking, setbacks, landscaping, sales taxes, and permit fees.

Rural Clusters:

Rural Clusters under WAC 365-196-425 are “a common form of innovative zoning technique which can create smaller individual lots than would normally be allowed in exchange for open space that preserves a significant portion of the original parcel.” Island County Code 16.17 outlines requirements for Planned Residential Developments (PRDs) that is a form of rural clusters. PRDs have not been well utilized under the existing code and the Long Range team researched other county’s examples for consideration in this comprehensive plan update. San Juan County has a cluster code (18.60.230) that is specifically designed to provide affordable housing.

To promote clusters for affordable housing, we recommend the following requirements as the basis for a new Rural Cluster code:

- Rural Clusters would be allowed outright on parcels 20 acres or larger. Smaller parcels may be considered with adjacent conserved land.

- Rural Clusters would be allowed in any Rural, Rural Agriculture, Commercial Agriculture, or Rural Forest zone.
- Rural Clusters would be allowed to support affordable rentals or an affordable home ownership model (under 100% AMI) with the support of a government entity, non-profit, or non-profit-private developer partnership.
- The housing in a Rural Cluster must be maintained affordable in perpetuity through a deed restriction.
- A portion (between 30%-80% depending on the lot size) of the land in a Rural Cluster must be utilized for open space or conservation. If the Rural Cluster is located adjacent to, or in close proximity, to conserved land of any type, this open space requirement may be reduced or waived.
- Rural Clusters can accommodate up to 2 dwelling units per acre (clustered on a larger contiguous site), with no more than 10 dwelling units included in a cluster.
- Rural Clusters must be served by a Group A or Group B water system.
- Rural Clusters can utilize any combination of building type from stick-built homes, to manufactured homes, to tiny homes so long as they meet the International Building Code.
- Rural Clusters housing types can be detached or attached, consistent with rural land use standards.

Home Parks – A Subsection of Rural Clusters:

Rural Clusters may be utilized to meet the County's Permanent Supportive Housing (PSH) requirements. Rural Clusters utilized for PSH must meet all of the conditions of Rural Clusters above, and additionally:

- Provide onsite supportive services by a licensed provider.
- Be located within 1 mile of a state highway, transit route, mixed-use LAMIRD, or UGA.
- Any units built to provide services shall not be counted toward the density maximums.

Accessory Dwelling Units (ADUs):

RCW 36.70A.680 and .681, regarding accessory dwelling units (ADUs), requires the county to adopt consistent regulations for our Urban Growth Area. This means that Freeland must now allow two ADUs per lot in any configuration of attached and detached, provided that septic can be provided to support the units. Our code must also be modified to allow ADUs to be sold as separate units in the NMUGA.

ADUs in rural areas are not subject to the same requirements under the RCWs. The Planning Commission has put forward a recommendation to support ADUs for affordable rentals in unincorporated Island County. Currently the County limits the number of detached ADU permits allowed in rural areas to 35 permits annually. The proposal to increase housing affordability through detached ADUs, would allow another 25 permits for ADUs that are dedicated to long-term rentals under the following conditions:

- The rental must be offered at or below 80% AMI.

- The owner must sign an affidavit committing to renting the unit for at least three years, with a penalty if they stop renting before the three years is up.
- Stock plans would be offered for detached ADUs and would allow expedited permitting if an owner chooses to utilize the stock plans.

Co-Housing:

RCW 36.70A.535 requires the county to adopt consistent regulations regarding co-living. Co-living is not currently restricted in Island County Code; however, it is not an apparent and acknowledged use either. Island County has a plethora of large single-family homes and a high rate of seniors living in our communities. In south Whidbey alone, according to a 2023 report from the Port of South Whidbey, between 2009 to 2020 the populated ages 60-65 increased by nearly 600 residents while working-class people ages 15-59 declined by 1,444 persons. Co-housing is an option that would support seniors who wish to age in place while also providing affordable housing for our workforce.

Co-housing provides many benefits including support for seniors, better utilization of our existing housing stock and reducing waste in resources of building more housing, and support more affordable rental options throughout our county.

To comply with the new RCW, the County must amend our code to explicitly allow co-housing on any residential lot in a UGA and LAMIRD. Additionally, we recommend allowing co-housing on any residential lot in any zone, so long as the septic bedroom requirements are not exceeded. This change would not increase density in the rural areas but would make co-housing a more obvious option for seniors who wish to rent out their empty rooms when family no longer is living with them.

Short Term Rentals (STRs):

STRs are defined by RCW 64.37.010 as “a lodging use, that is not a hotel or motel or bed and breakfast, in which a dwelling unit, or portion thereof, that is offered or provided to a guest by a short-term rental operator for a fee for fewer than thirty consecutive nights.” Island County does not currently regulate STRs, although Langley and Coupeville have adopted policies to regulate them in their cities.

STRs play an important role in our economy as a popular tourist destination. We have very few hotels, motels, and bed and breakfasts in Island County and as a result, visitors rely on STRs to be able to visit our islands. A 2022 report on Whidbey and Camano Island tourism estimated that we currently have 1,144 STRs and they bring in an estimated \$42 million in annual revenue. When STRs proliferate in a community, it can have an impact on the available housing stock. Below are estimates from the US Census Bureau (2002 ASC 5-Year Estimates) for the number of occupied vs. vacant housing in some of Island County’s communities:

Housing Occupancy	Clinton	Langley	Freeland	Island County	WA State
Occupied %	81.1	81.8	66.7	85.7	94.7
Vacant %	18.9	18.2	33.3	14.3	5.3

**Note the table above percentages are reported for the census block.*

The amount of land Island County has available for dense housing types to support workforce housing is limited. Many STRs are located along the shoreline or in rural areas where dense housing types are not feasible. However, there are some STRs located in our already dense areas. To ensure housing in areas most likely to have affordable housing is prioritized for highest and best use, we recommend not allowing STRs inside the Freeland UGA and Mixed-Use LAMIRDs. Additionally, all STRs in Island County would be required to get an annual permit for tracking purposes.

Recreational Vehicles (RVs) on Single Family Lots:

Currently, Island County allows RVs to be cited temporarily on properties that have an active building permit and they are only allowed for up to six months while a single-family residence is being built. HB 1220 requires an equity review of our policies and code and staff found this policy is not equitable as it allows RVs only for those individuals who have the means to build a new single-family home in Island County. We know there are a significant number of individuals, and even families with children, living in RVs throughout the County under the radar because they cannot afford anything else.

Allowing a family member, neighbor, or friend to live in a RV could stabilize someone from becoming homeless. With water and septic connections, and a life/safety inspection, we recommend that RVs be allowed on any residential lot in Island County for up to one calendar year, with a permit from the Planning & Community Development Department. Extensions would be considered if the individual actively is working with a government provider to pursue permanent housing.

RV Safe Parking Pilot:

The recent issues with RV parking along County rights-of-way demonstrates a clear need for a safe location for people experiencing homelessness to park their RVs. To manage this issue, staff recommend the County lead a pilot project to identify sites for two RV Parks (one on Whidbey and one on Camano) that will serve as a safe parking area for people experiencing homelessness. The following criteria will be used in identifying a pilot location:

- The pilot locations should be within ¼ to ½ mile of public transportation and services.
- The sites should be owned and managed by a government entity, church/religious organizations, or non-profit housing provider.
- Support services must be provided onsite by a licensed provider to assist individuals in locating permanent housing.
- Septic pumping and water connections must be available onsite.
- The RV Park will be limited to up to 20 parking spaces.
- RVs will be allowed to park for up to 90 days.

Other Zoning Changes to Support Housing:

Island County has limited land available to support dense housing types. Therefore, staff recommend amending the land use code to ensure land in our dense areas is available for its highest and best use. The following changes are recommended:

- No longer allowing mini storage inside the Freeland UGA and mixed-use LAMIRDs.

Summary Table of Proposed Changes to Support Housing:

Policy	Current	Recommendations
Freeland	Zoning code updated in 2019	Sewer plan needed to support zoning code densities
LAMIRD Density	Dependent on Health Standards	Up to 12 dwelling units per acre; 8 units per building, 0.5 acre lots, 40 feet height limit
Affordable Housing incentives	None	Density bonus, fee to fund affordable housing, and permitting incentives
Rural Clusters	PRD code	New Rural Cluster code for affordable housing
Home Parks - Rural Clusters	PRD code	New Rural Cluster code for PSH with additional conditions
ADUs in UGA	1 per lot	2 per lot; can sell as individual units
Detached ADUs in Rural	35 permits per year	35 regular permits + 25 for affordable rentals
Co-Housing	Code is silent	Add new code to explicitly allow and permit co-housing on any residential lot
Short Term Rentals	Not currently regulated	Not allow in Freeland UGA and mixed-use LAMIRDs; require permits for all
RVs on single-family lots	Only allowed for 6 months with building permit	Allow for 1 year with water/septic hookups and life/safety inspections
RV Parks	Code currently does not allow	Two pilot project RV Safe Parking Lots
Other zoning changes	Mini-storage allowed in Rural, Rural Center, Rural Village, Light Industrial (Freeland) and Industrial zones	Mini-storage no longer allowed in Freeland UGA (Light Industrial) and mixed-use LAMIRDs (Rural Center and Rural Village)