BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF ISLAND COUNTY, WASHINGTON

IN THE MATTER OF ADOPTING THE UPDATED
HOUSING ELEMENT AND REASONABLE
MEASURES ADDENDUM

ORDINANCE NO. C-97-18;
PLG-007-18

WHEREAS, Island County conducts planning activities in accordance with RCW 36.70, the Planning Enabling Act; and

WHEREAS, Island County is required to plan under RCW 36.70A, the Growth Management Act (GMA); and

WHEREAS, state law requires periodic updates of GMA comprehensive plans; and

WHEREAS, RCW 36.70A.070 requires counties and cities to develop a housing element ensuring vitality and character of established residential neighborhoods, and requires that the housing element contain:
(a) an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;
(b) a statement of the goals, policies, and objectives for the preservation, improvement, and development of housing, including single-family residences;
(c) identification of sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes and foster care facilities; and
(d) adequate provisions for existing and projected needs of all economic segments of the community; and

WHEREAS, on December 13, 2016, Island County adopted amendments to the Island County Comprehensive Plan in accordance with the GMA 2016 Periodic Update; and

WHEREAS, these amendments included updates to facts and figures and some reorganization of the Housing Element, but did not involve an in-depth reevaluation of the goals and policies of the Element; and

WHEREAS, during the GMA 2016 Periodic Update, policy H1.2 was added to the Element which directed the County to develop an approach to comprehensively address housing affordability in Island County through methods including, but not limited to, public outreach, data analysis, and coordination with other housing agencies while acknowledging the previous work done with regards to affordable housing in 2009; and

WHEREAS, on February 28, 2017, via Resolution C-21-17, the Board of Island County Commissioners approved the Housing Element Update to be placed on the Annual Docket for 2017; and

WHEREAS, on November 7, 2017, via Resolution C-110-17, the Board of Island County Commissioners approved the Housing Element Update to be continued on to the 2018 Annual Docket; and
WHEREAS, The 2017-18 update of the Housing Element has focused on understanding dynamics in the housing market, engaging the community on housing issues, and delivering policy and implementation guidance to meet the county's diverse needs; and

WHEREAS, to achieve the goals of the update, the project approach has involved significant public outreach to include stakeholder interviews, a community survey, a baseline review of existing programs and efforts, a housing needs analysis, identification of barriers and resources and finally the drafting of goals and policies; and

WHEREAS, on March 22, 2018, the draft goals and policies were sent to the Department of Commerce for 60 day review, and on May 17, 2018 Planning and Community Development received comments stating that the Department of Commerce was, "...impressed that Island County has devoted time to delve more deeply into each element of the Comprehensive Plan. For example, the County's work on the Housing Element to include more detailed planning, and encourage the continuance of work"; and

WHEREAS, on April 25, 2018, Planning and Community Development issued a Determination of Non-Significance (DNS) in accordance with the State Environmental Policy Act (SEPA) for a full review and update of the Housing Element of Island County's Comprehensive Plan, determining that this non-project proposal does not have a probable significant adverse impact on the environment; and

WHEREAS, on March 29, 2018, the draft goals and policies were posted to Planning & Community Development’s website and between the months of April and May a series of outreach events and presentations were then conducted on the draft, to generate further public review and refinement; and

WHEREAS, on August 27, 2018, the Planning Commission held a public hearing recommending adoption of the updated Housing Element and Reasonable Measures Addendum; and

WHEREAS, in consideration of all public discussions and information gathered, the updated Housing Element provides guidance to the County on:

a. Encouraging the preservation of existing housing stock capacity, subsidized and affordable housing units, and the character of existing communities;

b. Promoting the development of different housing types, to meet the needs of all demographic segments of the population, housing tenure choices, and income levels, and providing for these housing types in appropriate locations where infrastructure, public transit, and community services are readily accessible, planned in the near future, or included as part of a new fully-contained community established under RCW 36.70A.350;

c. Promoting fair access to housing and shelter for all persons;

d. Promoting policies that facilitate the reduction in the share of cost burdened households by increasing the supply of subsidized affordable housing; and

e. Collaborating with other jurisdictions and housing organizations to address county-wide housing issues; and
NOW THEREFORE,

IT IS HEREBY ORDAINED that the Board of Island County Commissioners repeals and replaces in its entirety Element 4 "Housing" and adopts Element 4a "Reasonable Measures Addendum" to the Island County 2036: 2016 Comprehensive Plan Update, as attached hereto as Exhibit A. Further, the Board approves of and incorporates in full the findings of fact of the Planning Commission, attached hereto as Exhibit B. Finally, the Board makes further findings of fact, attached hereto as Exhibit C. ADOPTED this 2nd day of October, 2018 following a public hearing.

BOARD OF COUNTY COMMISSIONERS
ISLAND COUNTY, WASHINGTON

Helen Price Johnson, Chair
Richard M. Hannold, Member
Jill Johnson, Member

ATTEST:

Debbie Thompson
Clerk of the Board
Exhibit A
Updated Housing Element of the Island County Comprehensive Plan and Reasonable Measures Addendum
Policies to ensure there is sufficient land for future housing needs, to provide for existing and projected housing needs, and to ensure the continuing vitality of existing Island County neighborhoods.
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4.1 INTRODUCTION

The Housing Element of the Comprehensive Plan outlines current housing conditions and future housing needs in Island County for the 20-year planning period, to be included in the Comprehensive Plan as required by the Growth Management Act (RCW 36.70A.070(2)). The future housing needs are estimated using the population projections adopted on March 10, 2014 (See Appendix B).

Island County has several housing related challenges, including the need for a variety of housing types and the need for more housing affordable to low-income households. The need for housing over the 20-year planning period will likely include more rental options, smaller units, and senior housing than the current share of this type of housing. However, the rural nature of much of Island County presents challenges for developing new housing.

The County should balance the vitality of existing housing stock and neighborhood character with the changing housing needs of Island residents. In order to accomplish this goal, Island County must promote safe and high quality residential areas, while utilizing opportunities to increase the supply and diversity of housing.

The Housing Element provides policy direction for Island County to address these challenges. This policy direction is established in the adopted housing goals and policies. Goals are the primary housing related objectives and outcomes the County wants to achieve over the 20-year planning period. The related policies provide guidance on County actions, such as programs, regulations, and funding, to achieve those goals.
This Element is broken down into the following sections:

1. An inventory of the current housing stock and conditions
2. A housing needs analysis,
3. A forecast of housing demand and capacity,
4. Goals and policies.

4.2 HOUSING INVENTORY

Island County’s existing supply of housing reflects past growth, market demand, and regulations in Island County. This section summarizes Island County’s existing housing stock, including the number of units by type and price. This section also considers recent development trends and housing vacancy in Island County.

4.2.1 HOUSING UNITS

There are approximately 41,500 housing units in Island County as of 2016. The majority of those units (78 percent) are single-unit homes. Multifamily housing (buildings with two or more units) represents 11 percent of the total housing stock with most of the multifamily housing stock within Oak Harbor. Mobile homes (as defined by the Office of Financial Management and American Community Survey) are over 11 percent of total housing stock.

The housing stock in Island County is a mix of ages. One-third of the housing stock has been built in the last twenty-five years (1992 through 2016). However, the number of units built since 2010 is relatively small compared to previous years. Since 2010, just 1,200 new units have been built, and only 56 unit of those have been multifamily units. The lingering effects of the recession in 2008 likely contributed to the decreased number of homes built. Since 1992, the County has averaged 600 new units a year.

Table 4-1. Housing Units by Type and Jurisdiction, 2016

<table>
<thead>
<tr>
<th></th>
<th>Single-family</th>
<th>2+ Units</th>
<th>Mobile Homes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Oak Harbor</td>
<td>5,866</td>
<td>3,284</td>
<td>581</td>
<td>9,731</td>
</tr>
<tr>
<td>Town of Coupeville</td>
<td>659</td>
<td>194</td>
<td>123</td>
<td>976</td>
</tr>
<tr>
<td>Town of Langley</td>
<td>522</td>
<td>216</td>
<td>2</td>
<td>740</td>
</tr>
<tr>
<td>Unincorporated</td>
<td>25,170</td>
<td>823</td>
<td>4,023</td>
<td>30,016</td>
</tr>
<tr>
<td>Island County</td>
<td>32,217</td>
<td>4,517</td>
<td>4,729</td>
<td>41,463</td>
</tr>
</tbody>
</table>

Source: Island County Assessor; ECONorthwest.
Figure 4-1. Housing Units by Type and Jurisdiction, 2016


The percentage of units that are vacant in Island County is higher relative to Washington State. Based on the Census' 2011-2015 average, about 18 percent of housing units in Island County are vacant, which is double the vacancy rate for Washington State.

Figure 4-2. Vacancy Status, Island County, Washington State, and Planning Areas, 2011-2015

Source: U.S. Census Bureau, 2011-2015 ACS 5-Year Estimate

The most common reason for vacancies is that homes have seasonal, recreational, and occasional uses, which is the reason for over 60 percent of vacant units in Island County. At the same time, apartments have relatively low vacancies, at less than 5 percent.
Figure 4-3. Vacancy Reason, Island County and Washington State, 2011-2015

4.2.2 HOUSING PRICES

In 2017, Island County had a median sales price of $320,000 through August 2017. Homes sold for between $200,000 and $299,000 represent the largest share of homes sold (31 percent) in the County. The median sales price in places in Camano Island is higher than the other Planning Areas at $369,000. North Whidbey had the lowest median sales price at $290,000 in 2017 through September.

Figure 4-4. Median Sales Price, Island County and Planning Areas, January-September 2017

Source: Property Radar
Home sales prices in Island County have followed a similar trend to Washington State. Inflation-adjusted home sales prices decreased from about 2007 to 2012, and have increased since then. They have not yet recovered to 2007 median sales price.

Figure 4-5. Median Sales Price, Island County and Washington State, 2004-2017, Adjusted for inflation to September 2017 dollars


The median gross rent in Island County for 2011-2015 was $1,076. Rent in Island County is higher than the Washington State average.

Figure 4-6. Median Gross Rent, Island County, Washington State, and Selected Areas, 2011-2015

Source: U.S. Census Bureau, 2011-2015 ACS 5-Year Estimate
4.2.3 HOUSING AFFORDABILITY

The typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. The U.S. Department of Housing and Urban Development (HUD) guidelines indicate that households paying more than 30 percent of their income on housing are “cost burdened” and households paying more than 50 percent of their income on housing are “severely cost burdened.”

In the 2012-2016 period, about 35 percent of Island County’s households are cost burdened. Renters are more likely to be cost burdened than homeowners. Fifty percent of renter households are cost burdened, compared with 28 percent of homeowners.

Lower-income households are disproportionately cost burdened. For example, in 2011-2015, about 26 percent of Island County households have an income of less than $35,000 per year. These households can afford rent of less than $875 per month or a home with a value of less than $87,500. Over 70 percent of these households are cost burdened.

Figure 4-7. Housing Cost Burden by Planning Area and Select Urban Areas, 2012-2016

![Bar chart showing housing cost burden by area (%)]

Source: U.S. Census Bureau, 2011-2015 ACS 5-Year Estimate
Figure 4-8. Illustration of Affordable Housing Scale

Affordable Housing

North Island County has slightly higher cost burden rates than the other planning areas. Of the urban areas in the County, Freeland and Langley have the highest cost burden rates.

The illustration below explains cost-burden rates by viewing Island County as 100 residents. Homeowners are represented by green squares, and renters are represented by blue squares; the majority of residents live in an owner-occupied home. The graphic also breaks homeowners and renters into two groups based on income. The darker shade are those people in households with middle to higher incomes and lighter shades represent people in households with lower incomes. The white dots indicate the number of people that are considered cost burdened.

A higher portion of lower-income people earning less than $35,000 a year are cost burdened. However, a small share of those living middle or upper income households are cost burdened as well. In addition, renters are more likely to be cost burdened than homeowners.

Figure 4-9. Illustration of Cost Burden if all of Island County's Households Were 100 Residents, 2016

Source: U.S. Census Bureau, 2011-2015 ACS 5-Year Estimate
When speaking on housing affordability and the inventory of housing units, it is important to address available subsidized, low cost, short-term, and transitional housing options. The Island County Human Services Department manages the County’s Housing Support Center, which coordinates the entry of low-income individuals into housing that suits their specific needs, and maintains an inventory of these types of housing units (outlined in the tables below).

**Table 4-2. Subsidized and Low Cost Housing Units in Island County, 2018**

<table>
<thead>
<tr>
<th>For Seniors and People with Disabilities Total</th>
<th>236</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oak Harbor Total</strong></td>
<td></td>
</tr>
<tr>
<td>Studio Apts</td>
<td>126</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>6</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>110</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>10</td>
</tr>
<tr>
<td>4 Bedroom</td>
<td>0</td>
</tr>
<tr>
<td><strong>Coupeville Total</strong></td>
<td>70</td>
</tr>
<tr>
<td>Studio Apts</td>
<td>4</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>65</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>1</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>0</td>
</tr>
<tr>
<td>Langley Total</td>
<td>40</td>
</tr>
<tr>
<td>Studio Apts</td>
<td>12</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>27</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>1</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>0</td>
</tr>
<tr>
<td><strong>For Families and Seniors Total</strong></td>
<td>464</td>
</tr>
<tr>
<td><strong>Oak Harbor Total</strong></td>
<td></td>
</tr>
<tr>
<td>Studio Apts</td>
<td>393</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>68</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>220</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>58</td>
</tr>
<tr>
<td><strong>Coupeville Total</strong></td>
<td>24</td>
</tr>
<tr>
<td>Studio Apts</td>
<td>0</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>6</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>14</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>4</td>
</tr>
<tr>
<td><strong>Langley Total</strong></td>
<td>22</td>
</tr>
<tr>
<td>Studio Apts</td>
<td>0</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>8</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>12</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>2</td>
</tr>
<tr>
<td><strong>Freeland Total</strong></td>
<td>25</td>
</tr>
<tr>
<td>Studio Apts</td>
<td>0</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>5</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>15</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Island County Housing Support Center
Transitional Housing
A project that has as its purpose facilitating the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24 months).
Department of Housing & Urban Development

Short-term Housing
Short-term facilities are intended to provide temporary shelter (up to 90 days) to eligible individuals to prevent homelessness and allow an opportunity to develop an individualized housing and service plan to guide the client’s linkage to permanent housing.
Department of Housing & Urban Development

Emergency Shelter
Any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements.
Department of Housing & Urban Development

Supportive Housing
A combination of housing and services intended as a cost-effective way to help people live more stable, productive lives. Supportive housing is widely believed to work well for those who face the most complex challenges; individuals and families confronted with homelessness and who also have very low incomes and/or serious, persistent issues that may include substance use disorders, mental health, chronic illness, diverse disabilities or other serious challenges to stable housing. Supportive housing can be coupled with such social services as job training, life skills training, alcohol and substance use disorder treatment, community support services and case management.
Journal of Housing & Community Development 2008

Table 4-3. Short Term and Transitional Housing in Island County 2018

<table>
<thead>
<tr>
<th>Short Term and Transitional Housing in Island County</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Night to Night Shelter</td>
<td>30 beds</td>
</tr>
<tr>
<td>Short Term Stay Shelters (up to 90 days)</td>
<td>12 bedrooms</td>
</tr>
<tr>
<td>Transitional Housing (up to 2 years)</td>
<td>17 bedrooms</td>
</tr>
<tr>
<td>Permanent Supportive Housing</td>
<td>18 bedrooms</td>
</tr>
<tr>
<td>Housing for 18-24 year olds</td>
<td>30 beds</td>
</tr>
<tr>
<td>Emergency Shelter</td>
<td>12 beds</td>
</tr>
<tr>
<td>Transitional housing</td>
<td>18 beds</td>
</tr>
</tbody>
</table>

Source: Island County Housing Support Center
4.3 HOUSING NEEDS ANALYSIS

Housing demand is determined by the preferences for different types of housing (e.g., single-family detached or apartment), and the ability to pay for that housing (the ability to exercise those preferences in a housing market by purchasing or renting housing). Preferences for housing are related to demographic characteristics and changes, in addition to personal preferences. The ability to pay for housing is based on income and housing costs. The following two sections analyze and discuss these factors.

4.3.1 POPULATION TRENDS

Island County’s population grew by 38 percent between 1990 and 2016, adding nearly 23,000 new residents. Over this period, Island County’s population grew at an average annual growth rate of 1.2 percent. In comparison, the state grew at a slightly faster rate of 1.5 percent a year over the same period. In the last 10 years growth has been slower with an average annual growth rate of 0.65 percent. The majority of the population growth in the last 10 years was due to in-migration. In-migration in 2016 was substantially higher that any of the previous 10 years with over 2,000 people moving to the County. Island County’s future population growth will drive demand for housing over the planning period.

Island County’s population increase in 2016 was the largest in the last ten years. Most of this population increase was due to in-migration into Island County.

Figure 4-10. Annual Population Growth, Net Migration, and Natural Increase, Island County 2006-2018

Source: Washington State Office of Financial Management, April 2018
4.3.2 DEMOGRAPHICS

The median age in Island County increased by seven years: from age 37 in 2000 to age 44 in 2015 (the 2011–2015 five-year average). In the 2011–2015 five-year average, Island County’s portion of people aged 60 and older was 9 percent higher than the Washington State average (29 percent versus 20 percent, respectively). These factors indicate that Island County has an aging population.

Population projections from the Washington State Office of Financial Management indicate that from 2020 to 2040, Island County will see the largest increases in both those over 40 and youths aged 20 and younger. During this period, people between 40 and 59 years old will add the most individuals to the population, at over 3,300 people between 2020 and 2040. Projections also indicate that 31 percent of population growth between 2020 and 2040 will be those aged 20 years and younger. This is an increase of over 3,200 young people. People aged 60 years and older are projected to increase by over 2,000. This age group will continue to be the largest in Island County. The share of people between 20 and 39 is projected to decrease from 2020 to 2040, although the absolute number of people in this age group will increase.

In 2011–2015, about 49 percent of Island County residents were aged between 20 and 59. Island County has a larger share of people aged over 60 years than the state. About 22 percent of Island County’s population is under 20 years old, compared to 25 percent of the state’s average.

Figure 4-11. Population Distribution by Age, Island County and Washington State 2011-2015

Source: U.S. Census Bureau, 2011-2015 ACS 5-Year Estimate
Island County is becoming more ethnically diverse. The Hispanic and Latino population grew from 4 percent of Island County's population in 2000 to 6.6 percent of the population in the 2011–2015 period, adding 2,432 new Hispanic and Latino residents. The population of Island County is less ethnically diverse than Washington State. Oak Harbor and Coupeville are more ethnically diverse than the Island County average, with the Hispanic and Latino population making up 11.8 percent and 18.8 percent of residents, respectively.

Figure 4-12. Hispanic or Latino Population as a Percent of the Total Population, Island County, Washington State, and Selected Urban areas, 2000 to 2011-2015


Income is one of the key determinants in housing choice and households' ability to afford housing. Island County has a similar income distribution to Washington State. For the 2011–2015 period, about 42 percent of Island County households made less than $50,000 per year, compared with 41 percent of the state. Island County has a smaller portion of households with an income over $150,000 than does Washington State with almost 8 percent compared to 12 percent, respectively.
Figure 4-13. Household Income, Island County, and Washington State, 2011-2015


4.3.3 HOUSING NEEDS

The figure below compares the number of households by income with the number of units affordable to those households in Island County. Overall, Island County has a deficit of housing affordable to households earning less than $50,000 (about 80 percent of Area Median Income).

When lower-cost housing (such as government subsidized housing) is not available, these households pay more than they can afford in housing costs. As a result, a number of households are living in housing that is not considered affordable, which is reflected in the Census’ cost-burdened statistics.

**Area Median Income (AMI)**
The Area Median Income (AMI) is the midpoint of a region’s income distribution; half of families in a region earn more than the median and half earn less than the median. For housing policy, income thresholds set relative to the area median income (such as 50% of the area median income) identify households eligible to live in income-restricted housing units and the affordability of housing units to low-income households.

Department of Housing & Urban Development
Figure 4-14. Affordable Housing Costs and Units by Income Level for Island County, 2017

Due to the deficit of affordable housing, households must choose from available housing, which is often more expensive. These households are cost-burdened.

Housing Deficit

-88 -701 -1,975 -433 -595 1,695 942 -390 1,345

Household Income

Less than $10,000 $10,000-$14,999 $15,000-$24,999 $25,000-$34,999 $35,000-$49,999 $50,000-$74,999 $75,000-$99,999 $100,000-$149,999 $150,000 or more

Note: MFI is Median Family Income, determined by HUD for Island County.

In summary, there are several key issues likely to affect housing needs in Island County over the next 20 years. A homogenous existing housing stock, an aging population, increasing housing costs and affordability concerns, and other variables will affect future housing needs and types of housing that will need to be built.

4.4 HOUSING FORECAST & CAPACITY

4.4.1 HOUSING FORECAST

Island County's 2036 population target is 87,957. Based on the 2016 population of 82,910, the county is projected to add 5,047 people over the next 20 years. This section describes the key assumptions and presents an estimate of new housing units needed to accommodate this population growth.

Table 4-4. Forecast of Population Growth, Island County and Planning Areas, 2036

<table>
<thead>
<tr>
<th></th>
<th>2016 Population</th>
<th>2036 Population Forecast</th>
<th>Change in Population 2016-2036</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Growth</td>
</tr>
<tr>
<td>Island County</td>
<td>82,910</td>
<td>87,957</td>
<td>5,047</td>
</tr>
</tbody>
</table>

Source: Island County
The estimated total number of units needed the 20-year population forecast, the number of persons in group quarters, average household size, and vacancy rate. Based on these assumptions, Island County will have demand for 2,174 new dwelling units over the 20 years, which is summarized in the table below.

Table 4-5. Forecast of Demand for New Dwelling Units, Island County, 2016-2036

<table>
<thead>
<tr>
<th>Change in persons</th>
<th>5,047</th>
</tr>
</thead>
<tbody>
<tr>
<td>minus Change in persons in group quarters</td>
<td>309</td>
</tr>
<tr>
<td>equals Persons in households</td>
<td>4,738</td>
</tr>
<tr>
<td>Average household size</td>
<td>2.33</td>
</tr>
<tr>
<td>New occupied DU</td>
<td>2,033</td>
</tr>
<tr>
<td>times Aggregate vacancy rate</td>
<td>7.0%</td>
</tr>
<tr>
<td>equals Vacant dwelling units</td>
<td>141</td>
</tr>
<tr>
<td><strong>Total new dwelling units (2017-2037)</strong></td>
<td>2,174</td>
</tr>
<tr>
<td><strong>Annual average of new dwelling units</strong></td>
<td>109</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2011-2015 ACS, ECONorthwest

Of these 2,174 new units, 70 percent of projected new housing demand will be single-family detached and attached housing. Currently, 78 percent of Island County's housing is currently single-family detached and attached housing. The remaining 30 percent of units will include demand for new housing demand will be multifamily with two or more units (20 percent) and manufactured housing (11 percent). Currently, percent of projected new housing demand will be manufactured housing. Currently, these two housing types each account for about 11 percent of the housing stock.

### 4.4.2 HOUSING CAPACITY

The County conducted a Buildable Lands Analysis (BLA) as a part of the 2016 Comprehensive Plan Update. As a part of this analysis, both the Urban Growth Areas (UGAs) and the rural areas were evaluated for developable land capacity. This number is measured in housing units rather than acres of land, to give an accurate depiction of the potential developable space available. Parcels that were either vacant or large enough to be further subdivided under the zoning regulations were considered buildable lots. The rural analysis stopped at this point. Within UGAs, land was removed to account for critical areas and land needed for public purposes (see Appendix B for further details on this process).
Table 4-6. Land Capacity for Units Needed, 2016-2036

| Area              | Land Capacity (Measured in Housing Units) | Additional Housing Units Needed | Excess Land Capacity (Measured in Housing Units) |
|-------------------|------------------------------------------|--------------------------------|--------------------------------|-------------------------------------------------|
| Oak Harbor        | 1,985                                    | 1,588                          | 397                             |
| North Whidbey Rural | 848                                      | 1,058                          | -211                            |
| Coupeville        | 298                                      | 61                              | 237                             |
| Central Whidbey Rural | 1,775                                   | 347                            | 1,428                           |
| Langley           | 899                                      | 39                              | 860                             |
| South Whidbey Rural | 2,145                                    | 425                            | 1,720                           |
| Freeland          | 850                                      | 61                              | 789                             |
| Camano Rural      | 1,353                                    | 408                            | 945                             |

Source: Island County Comprehensive Plan, Appendix B,

4.4.3 CHARACTER AND VITALITY

As the County takes steps to accommodate the changing housing needs of residents outlined above in Section 4.3, the vitality of existing housing stock and neighborhood character also needs to be considered. One of the County’s roles in promoting neighborhood quality is to facilitate healthy change within neighborhoods by providing for development that is compatible in quality, character to the existing land uses, traffic patterns, public facilities, and sensitive environmental features. Neighborhood character differs throughout the Islands and particularly between the rural areas, RAIDs, and the Freeland NMUGA, but generally speaking Island County neighborhoods pride themselves on their rural, scenic, and quiet nature. The County protects these neighborhoods through development regulations and other County codes which provide minimum standards for density, site coverage, open space, height, minimize the impact of non-residential uses, and help preserve the natural environment. Parks, open spaces, and trails also contribute to the rural character of these neighborhoods.
4.5 GOAL & POLICIES

Goal 1. Encourage preservation of existing housing stock capacity, subsidized affordable housing units, and the character of existing communities.

H 1.1. Sustain and enhance the vitality, diversity, and quality of life within existing neighborhoods through the promotion of development that is sensitive to the quality, design, scale, and character of those neighborhoods.

H 1.2. Preserve the existing housing stock to meet the changing needs of residents by continuing to improve the permitting process for remodels/additions, accessory dwelling units, and guest cottages.

H 1.3. Monitor properties with expiring subsidies and identify strategies and resources to preserve their affordability.

H 1.4. Identify and promote awareness of resources and programs available for housing repair and rehabilitation for homeowners with low incomes; examples may include, weatherization, septic repair or compliance with flood hazard regulations.

H 1.5. Support the preservation of manufactured home parks in Island County as a component of the County’s affordable housing stock.

H 1.6. Develop strategies to encourage the re-use of existing housing structures in rural areas including potential incentives for relocation to other sites.

H 1.7. Monitor the impacts of vacation rentals on housing availability in the County.

H 1.8. Consider development regulations for the RAIDs and NMUGAs that are compatible with residential community character, that promote pedestrian connectivity and ensure the long term vitality of Island County neighborhoods.

Goal 2. Promote the development of different housing types, such as rentals and manufactured homes, to meet the needs of all demographic segments of the population, housing tenure choices, and income levels. Provide for these housing types in appropriate locations where infrastructure, public transit, and community services are readily accessible, planned in the near future, or are included as part of a new fully-contained community as described in RCW 36.70A.350.

H 2.1. Encourage the construction of multi-family units, primarily rentals, in areas where higher densities are permitted and where infrastructure, including public transportation, is already available.

H 2.2. Encourage housing suitable to the needs of older adults, including independent and assisted living housing, in Mixed Use RAIDs and UGAs.
H 2.3. Encourage the siting of duplexes, triplexes, and fourplexes in Rural Residential zones that are near Mixed Use RAIDs and UGAs.

H 2.4. Identify innovative housing approaches for Camano Island where the predominance of rural zones and lack of a UGA presents challenges for meeting a diversity of housing needs.

H 2.5. Evaluate and modify as needed, Planned Residential Developments and clustered housing code provisions to ensure that they provide adequate incentives to achieve desired densities.

H 2.6. Evaluate regulations to determine appropriate locations, provide expanded opportunities, determine potential incentives, and remove unnecessary barriers and/or impediments to the development of the following housing types: permanent and seasonal farm worker housing; accessory dwelling units and guest cottages; manufactured housing communities and manufactured homes; small multi-unit structures; cottage housing; and other small dwelling unit types.

H 2.7. Encourage infill development in RAIDs and UGAs through zoning regulations and incentives with specific attention to the incentives identified under RCW 36.70A.540.

H 2.8. Explore options to allow temporary housing structures to accommodate short-term housing needs related to limited-term employment and the homeless population.

H 2.9. Monitor Island County's housing development and periodically compare to housing development targets in the Comprehensive Plan and buildable land supply.

H 2.10. Ensure that innovative housing options are considered and addressed in county housing policies, programs, funding, and local zoning regulations.

H 2.11. Develop and allow "pre-approved" or "permit ready" house plans for accessory dwelling units, guest cottages, cottage housing and other potential housing types in appropriate locations.

H 2.12. Identify opportunities to lower labor and materials costs by supporting and encouraging alternative housing designs, materials and construction, such as self-help/sweat-equity housing, owner-built housing, and the use of existing or reclaimed building materials.

H 2.13. Provide additional locations for, and encourage the siting of, recreational vehicle parks as a temporary lodging option.
H 2.14. Continue to identify and evaluate opportunities to streamline interdepartmental permitting review where possible.

Goal 3. Promote fair access to housing and shelter for all persons.

H 3.1. Identify appropriate locations to support and facilitate transitional housing, coordinated with critical support services, for youth, adults, seniors, families, and those with disabilities.

H 3.2. Identify appropriate locations to support and facilitate the development of emergency shelters and short-term housing for those in need.

H 3.3. Ensure that community housing and shelter needs are considered and addressed in county housing policies, programs, funding, and local zoning regulations.

H 3.4. Evaluate and consider implementing the recommendations of the Tri-County Consortium’s 2018 Analysis of Impediments to Fair Housing Choice and successor Fair Housing Plans to affirmatively further Fair Housing in Island County.

H 3.5. Promote community and landlord awareness of and compliance with federal and state Fair Housing laws.

H 3.6. Promote diverse representation on boards and committees that make recommendations concerning housing-related policies, programs or funding.

Goal 4. Promote policies that facilitate the reduction in the share of cost burdened households by increasing the supply of subsidized housing.

H 4.1. Define subsidized and low-income housing needs and establish measurable subsidized and low-income housing targets relative to those needs.

H 4.2. Encourage a range of permanent subsidized housing options through small project-based structures, administration of rental assistance, and supportive housing.

H 4.3. Ensure publicly-funded, low-income housing is located in appropriate locations where infrastructure, public transit, and community services are readily accessible, planned in the near future, or are included as a part of a new fully-contained community as described in RCW 36.70A.350.

H 4.4. Review existing surplus public land owned by Island County and other public agencies to determine if any such lands are appropriate to be transferred to a non-profit housing agency for subsidized or low-income housing.

H 4.5. Evaluate opportunities to reduce or eliminate permit fees for subsidized and low-income housing.

H 4.6. Implement incentives for subsidized housing projects within non-municipal urban growth areas and mixed use RAIDs.
H 4.7. Ensure coordination between the policies addressed in the Comprehensive Plan and those outlined in Island County's Homeless Housing Plan.

H 4.8. Collaborate with municipal jurisdictions to develop mutual policies and agreements that facilitate the siting and subsequent annexation of subsidized housing in unincorporated UGAs.

Goal 5. Collaborate with other jurisdictions and housing organizations to address county-wide housing issues.

H 5.1. Actively convene committees to coordinate county-wide housing issues.

H 5.2. Evaluate the potential for a Transfer of Development Rights (TDR) program for the Freeland NMUGA, or in conjunction with incorporated communities, that allows higher densities within city boundaries and urban growth areas.

H 5.3. Continue to maintain partnerships and support collaboration with the Housing Authority of Island County, the Opportunity Council, local industries, major employers, and different groups including nonprofit, faith-based, public, and private interests in ongoing efforts to fund and sustain existing subsidized and low-income housing projects in Island County.

H 5.4. Support collaboration between private developers, public agencies, and non-profit organizations so that a variety of housing options are dispersed throughout the county and develop these partnerships to collaboratively advocate for more financial resources from the federal and state government for subsidized, low-income housing.

H 5.5. Continue to coordinate with, and provide staff support for the Housing Provider Network and other housing-related committees.

H 5.6. Support applications for federal, Low-Income Housing Tax Credits and other available incentives for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households.

H 5.7. The Board shall consider housing related policy implementation actions as part of the annual work plan review.

Low-Income Housing Tax Credits
A tax incentive intended to increase the availability of low-income housing. The program provides an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects. Department of Housing & Urban Development

Transfer of Development Rights
Methods for protecting land from development by voluntarily removing the development rights from a sending area and transferring them to a receiving area for the purpose of increasing development density or intensity in the receiving area. RCW 43.362.010 - Regional Transfer of Development Rights Program
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A resource for pursuing the reasonable measures that will help local jurisdictions achieve the planning targets and development assumptions adopted in their respective comprehensive plans.
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4A.1 BACKGROUND

The Growth Management Act (GMA) is intended to encourage development in urban areas and reduce the inappropriate conversion of undeveloped land into low-density sprawl. To achieve these goals, cities must strive for efficient land use patterns by implementing strategies to realize increased development densities within their designated urban growth areas (UGAs).

To implement this goal, GMA counties and cities are required to collect data on buildable lands and analyze how planning goals are being achieved. As part of this process, jurisdictions are required to monitor the amount and density of development that has occurred since adoption or revision of their comprehensive plan. Jurisdictions must then compare anticipated growth against actual development over time to see if (1) local governments have enough suitable land inside the UGA to accommodate the growth anticipated during the 20-year planning period, and (2) if urban densities are being achieved in UGAs.

Under RCW 36.70A.215 counties and cities are required to identify reasonable measures, other than adjusting urban growth areas that will be taken to accommodate any potential deficiency in buildable land capacity before considering expansion of a UGA. Reasonable measures are actions intended to reduce deficiencies in the development assumptions and targets contained in the countywide planning policies and the county and city comprehensive plans. These measures work to increase densities and realize efficient land use patterns within UGAs.

This memorandum is intended to serve as a resource for pursuing the reasonable measures that will help local jurisdictions achieve the planning targets and development assumptions adopted in their respective comprehensive plans. Ultimately, each jurisdiction will have to decide what measures work best for their community. This document just provides guidance to help communities begin these conversations.

4A.2 POTENTIAL REASONABLE MEASURES

There are a variety of measures individual jurisdictions can implement to realize more housing within their existing city limits and UGA. The section below provides a sample range of measures a jurisdiction can choose to pursue. This list is not an exhaustive list of measures available, but those identified as relevant for Island County. Each measure provides a specific description and highlights the potential benefits and challenges associated with that measure.

4A.2.1 DENSITY ADJUSTMENTS

4A.2.1.1 Revise lot standards to increase allowable residential densities

Description. Changes to existing residential development regulations to allow higher densities can allow more units to be accommodated within existing residential zones. For example, a zone that has a minimum lot size of 7,500 square feet could be reduced to 6,000 square feet.
Benefits. More units can be built on existing lots without rezoning areas of the city. Slight density changes can be made without disrupting the character of a neighborhood, but allow for significantly more housing.

Challenges. Even modest changes may be politically unpopular. Off-street parking requirements may make the development of these sites a challenge based on lot sizes. Increased density maximums may not always result in the increased density of development when zones allow a variety of densities. Additional incentives/regulations might be necessary to realize these higher densities.

4A.2.1.2 Automatic density shifts

Description. Similar to the option above, density shifts change existing residential development regulations to allow higher densities (more units) within existing residential zones. A density shift, however, does not require a rezoning, but is built into the zoning district through an overlay that incorporates specific triggers for when the density increase goes into effect. Triggers for density increase can include one or more criteria, such as growth rates, infrastructure availability, housing inventory, etc. They can apply to a whole district, a corridor, or in a specific area via overlay or distance requirements (i.e., can be limited to specific corners). Density shifts can be limited to ensure that they do not increase density beyond a set amount (either a percentage of the base district or the next highest density district, etc.).

Benefits. Slight density changes can be made without disrupting the character of a neighborhood, but allow for significantly more housing. Density shifts—with very clear and specific triggers—give the community transparency about where, when, and why a change will take place, but is done without requiring the property owner (or the city) to initiate a rezoning application or code amendment. This is a tool that is very responsive to market conditions and the housing needs of a community as it grows. In addition, density shifts are a good tool for infill development and redevelopment.

Challenges. If the adoption of a density shift is not well advertised, the community can be taken by surprise, so the amount of outreach at adoption should be the same or more than a typical rezoning or code amendment. Not all locations are appropriate for density shifts, as they work best in community core areas, activity “nodes,” and/or major corridors. They work best where adjacent to higher density district(s) and do not work well in the middle of a large district.

4A.2.1.3 Establish residential density minimums

Description. Minimum densities place a regulatory floor on the density of units within a zone. This is often implemented through establishing maximum lot sizes or a minimum number of units per acre.

Benefits. Prevents low-density development in areas that allow more units and promotes development that is consistent with assumptions in a jurisdiction’s comprehensive plan. Low density development can also significantly hinder high density build-out in the future because redevelopment is always more expensive.
Challenges. If the minimum densities are set too high and there is no demand, or not as much demand, for units above the minimum density requirements, a jurisdiction may realize less new housing development in those zones. Regulations would limit some property owners from developing their property as they desire.

4A.2.1.4 Adopt regulations that ensure development does not preclude future urban densities

Description. Adopt language into code that requires the review of a future development plan or shadow platting to ensure that proposed development does not preclude additional densities in the future. May be applied to a zoning district or in an overlay area where future intensification is desired. Review may include placement of buildings to ensure that they do not conflict with future infrastructure (roads, trails, utilities, etc.), that there is enough room for additional units (and any open space and parking needs for those additional units).

Benefits. Ensures that development built to meet current needs does not interfere with the ability to meet the needs of the future.

Challenges. Adds to the application and review requirements (additional review time required to ensure compatibility). This is a long-term tool; ensuring that there is capacity for future densities does not address any existing need. Works best when combined with minimum densities, so that the capacity that you need to accommodate is clear to both the property owner and the city.

4A.2.2 INCREASE HOUSING TYPE DIVERSITY

4A.2.2.1 Rezone areas to allow more residential development types

Description. Changing current low-density residential zones to one that allows a higher density of housing or changing commercial zones to allow a mixture of residential and commercial uses would allow for more units to be built within the zone. For example, portions of a low-density residential area could be rezoned to a medium density residential area or a high-volume commercial intersection can be rezoned to mixed-use.

Benefits. More units can be built on existing lots. A wider variety of units can be built that meet the housing needs of residents. “Missing Middle” housing types that include live/work units, bungalow and/ or courtyard apartments, and low-rise development should be allowed in appropriate zones, and can be encouraged when the code is clear about where they can go and what the standards are. These housing types are often smaller and require less capital investment to build than a traditional apartment complex or large mixed-use project, and are good options for local small-scale developers.
Challenges. Zoning changes may be politically unpopular. Zone changes may also require administrative processes, such as an environmental impact statement under the State Environmental Policy Act (SEPA) and potential changes to a jurisdictions comprehensive plan.

4A.2.2.2 Allow accessory dwelling units and backyard cottage housing and remove barriers to utilization of this option where possible

Description. Small accessory units on parcels that already have a house may be able provide an additional dwelling unit without significant disruption to the neighborhood character. Units can be attached or detached from the main house. Examples of regulatory barriers may include restrictions that limit the number of accessory units allowed in a given year, off-street parking requirements, and owner occupancy requirements.

Benefits. This can increase the number of residential units, particularly rental units, in single-family or low-density residential zoned areas, likely with minimal changes to the neighborhood character.

Challenges. ADUs often require that existing property owners build the structure. As a result, the development process can be a barrier for those that are inexperienced in the process. Construction costs, including development fees, and financing can also be a challenge for property owners with limited funds. Some neighborhoods may have concerns over an influx of additional rental units.

4A.2.2.3 Allow townhomes and duplexes in low-density residential zones.

Description. Cities can change regulations to allow different types of housing and scales, particularly in zones reserved for single-family detached housing. This emphasis is on "missing middle" housing options (i.e., duplexes through fourplexes, accessory dwelling units, townhouses, and cottage housing) that are more compatible with lower density residential areas and allow more units to be built.

Benefits. A wider variety of units can be built that meet the housing needs of residents while still maintaining a similar, albeit not identical, neighborhood character. In addition, these housing forms are more compatible with lower density residential areas.

Challenges. Even modest changes may be politically unpopular. Off-street parking requirements may make the development of these sites a challenge based on lot sizes. May need to include design standards to ensure the outward appearance of the buildings to not detract from the neighborhood character.

4A.2.2.4 Allow for Planned Residential Development in Single-Family zones.

Description. Planned Residential Developments (PRDs) are those that follow a design plan from inception to use. This can allow for the more creative site plans, and some jurisdictions allow increased densities through a PRD as a tradeoff for increased design requirements, the preservation of open space through clustering, and the provision of public amenities.
Benefits. Planned Residential Development can help maximize the development density within a low-density residential zone while complementing the neighborhood character through design requirements and while making use of onsite amenities including open space. This can be particularly useful for properties constrained by critical areas, which can make use of clustering units within the unconstrained portion of the property.

Challenges. Changes to allowed density within single-family zones can cause concerns related to neighborhood character.

4A.2.2.5 Allow manufactured home parks in residential areas.

Description. Manufactured home parks provide additional housing options within residential areas and a more efficient use of land than siting individual manufactured homes on separate parcels. Jurisdictions can ensure that manufactured home parks are a permitted use in residential zones, and they would still be subject to the same development standards as other housing types within the zone. Other regulatory barriers may include limitations on the minimum lot area.

Benefits. Manufactured home parks can allow for a more efficient layout of homes and maximize the development density within an existing residential zone.

Challenges. The placement of new manufactured home parks within existing residential areas may be politically unpopular and may limit the land availability for more permanent housing options (cottages, etc.).

4A.2.2.6 Transitional uses

Description. Transitional uses allow property owners to take advantage of some of the uses that are allowed in a higher density district on an adjacent parcel without having to rezone. Transitional uses can be built into the zoning district or through an overlay, and do not require a rezone. They can apply to a whole district, a corridor, or in a specific area via overlay or distance requirements (i.e. can be limited to specific corners). For example, cottages, townhomes, or live/work units may be allowed at key intersections.

Benefits. This can allow for a variety of housing types or mixed uses on corners or corridors in transitional areas, while the underlying zoning still is in effect for most uses and all the building and lot standards (height, etc.), protecting the neighborhood integrity. This is one way to support home-based businesses in the second stage of their growth, can integrate affordable and workforce housing units into neighborhoods, provide neighborhood services in a low-impact way, and does not require a re zoning so is more cost effective for community members and small business owners.

Challenges. The uses that are allowed to transition without re zoning need to be specifically called out for clarity, including when and where the uses will be allowed to cross zoning district boundaries. Not all uses are appropriate for transitional uses in all districts, so careful thought and analysis needs to
go into which uses will be allowed where, and how far they will be allowed into the receiving district. To take full advantage of a higher intensity district, a property owner must rezone the property.

4A.2.3 REVISE DEVELOPMENT STANDARDS & REMOVE BARRIERS

4A.2.3.1 Reduced street-width standards

**Description.** Current standards or subdivision ordinances may require street widths that are wider than necessary to accommodate traffic and/or parking needs. Narrowing the minimum street-width standards would allow more land area to be used for housing as part of the subdivision process.

**Benefits.** Increasing the amount of land available for development could lead to more housing on the additional land. Reducing the size of a street could also reduce the cost for a developer and make development more financially feasible. There is the added benefit of creating more walkable neighborhoods when street-widths are lower, which can encourage additional growth in that neighborhood.

**Challenges.** Other city departments may resist the changes. Street standards are often based on national traffic engineering standards, which are applied by public works engineers. Fire departments may also desire wider streets for their larger vehicles.

4A.2.3.2 Reduce minimum parking standards

**Description.** Jurisdictions typically require dedicated off-street parking spots for new development based on the size and use of the building. These requirements increase the amount of land needed to accommodate parking and can be a barrier to new development. For example, off-street parking requirements for single-family homes, townhomes, or apartments may require larger lot sizes to accommodate the building, parking, and open space and prevent development from meeting the densities allowed under the current zoning. Additional parking also increases the costs for development.

**Benefits.** Reducing parking standards gives developers more flexibility when developing a property and prevents parking from being the factor governing development densities on a site (compared to the actual zoning requirements). Reducing parking standards also reduces the cost of development. This can be particularly effective around transit corridors and services.

**Challenges.** Changes to off-street parking standards can be politically unpopular. When not done effectively, reduction in off-street parking standards can lead to neighborhoods overwhelmed by cars and a lack of parking. To maximize effectiveness, may need to be combined with establishing parking maximums and/or allowing for shared parking arrangements.
4A.2.3.3 Provide for more flexibility from requirements for ground floor commercial

Description. Ground floor commercial requirements make residential buildings more costly to build, and depending on market conditions, may be a barrier to multifamily development in zones with those requirements. In addition, the commercial spaces built may be difficult to fill, which also is an economic disincentive. Relaxing ground floor commercial requirements, either through limiting the amount required or allowing residential uses on the ground floor, could help make multifamily housing development more financially viable. When allowing residential uses on the ground floor, certain building standards could remain in place to allow the units to more readily convert to a commercial use in the future (i.e. minimum ceiling height for first floor, entryways, etc).

Benefits. More multifamily units may be built sooner than if the requirements for commercial are maintained when there is little or no current market demand for commercial space.

Challenges. Ground floor commercial requirements are often intended to further jurisdiction’s goals of fostering mixed use, walkable neighborhoods. Removing these requirements may preclude opportunities for future mixed-use development on those sites if not accompanied with design standards that ensure the space is flexible for reuse purposes. Not all standards are appropriate for all districts, so this code amendment may take time to develop and refine.

4A.2.4 PROCESS/PROCEDURAL IMPROVEMENTS

4A.2.4.1 Joint Planning and Pre-Annexation Agreements

Description. Coordinated planning between the County and affected city for infrastructure and service provisions and development standards in unincorporated UGAs can facilitate the efficient development of these areas at urban densities and form. Ultimately, cities should ensure an adequate and orderly process exists that will allow areas to annex into the city.

Benefits. Successful coordination of development and annexation of unincorporated areas within UGAs can lead to those areas developing sooner and at overall higher densities, increasing the total number of housing units built. Pre-annexation plans can also reduce costs for infrastructure and service provision.

Challenges. Pre-annexation plans between the County and the affected city can take time and extensive negotiation.

4A.2.4.2 State Environmental Policy Act categorical exemptions

Description. Under the State Environmental Policy Act (SEPA), cities and counties can establish a minimum threshold for environmental review up to the maximum allowed under state statute for new construction. Projects below this threshold are exempt from the EIS determination requirements.
In addition, cities and counties can adopt a planned action ordinance, which require conducting an environmental impact statement (EIS) for a defined subarea in advance of future development. Subsequent individual developments within this area at or below the type and scale of development analyzed in the EIS are exempt from environmental review.

**Benefits.** Reducing the amount of environmental review required can reduce review time and cost for developments below those thresholds, which may result in more development than would have occurred otherwise.

**Challenges.** Community members interested in environmental protection may be hesitant to lessen environmental review requirements.

### 4A.2.4.3 Short Plat process

**Description.** Increase the number of lots that can be platted under the short plat process. Current state law allows up to nine lots to be subdivided through a short plat process, but many jurisdictions choose to have a lower standard for triggering a long plat review (ex. four lots as the maximum reviewed as a short plat). Because the short plat process is generally less complicated and costly than a long plat, this can encourage the creation of more lots.

**Benefits.** Short plats tend to be significantly less expensive and quicker to permit, which could encourage the development of more projects at higher densities.

**Challenges.** No major challenges.

### 4A.2.5 INCENTIVES

#### 4A.2.5.1 Provide development incentives

**Description.** Financial incentives can increase revenues or reduce costs for new developments, making projects financially feasible that may otherwise not be feasible under current market conditions. Some examples of potential incentives could include an 8-year multifamily tax exemption program (MFTE) for incorporated areas with a population above 15,000 or unincorporated UGAs with sewer service, or density bonuses for certain development types, such as clustered housing or planned residential developments.

**Benefits.** More units may be built sooner than current market conditions allow, particularly the development of more multifamily housing.

**Challenges.** Market conditions are always changing, and incentives offered may not be sufficient as conditions change. Incentives for development may also be politically unpopular.
4A.2.5.2 Land assembly and acquisition

Description. Finding appropriately zoned sites large enough for development, particularly for multifamily housing, can be difficult. Jurisdictions can proactively purchase property to assemble lots large enough for housing to be developed more efficiently and at densities allowed under current zoning. The assembled properties can then be sold for development and to achieve other public benefits, such as affordable housing. Incentives can also be provided through a competitive process that would encourage proposals for high-density housing.

Benefits. Proactively assembling property can facilitate the development of these sites with residential uses more efficiently and at higher densities. Jurisdictions often assemble property for the specific purpose of supporting affordable housing development. Creating pilot public/private projects can also stimulate development in targeted areas.

Challenges. Assembling adjacent properties can take time, is expensive, and is usually a long-term strategy. It also requires local jurisdictions to allocate public dollars that could be used for other near-term priorities.

4A.3 CONSIDERATIONS

Reasonable measures are adopted and implemented through local comprehensive plans and local development regulations. Most jurisdictions will have to adopt more than one measure to achieve its target population and/or achieve density goals. The specific measure or combination of measures pursued will depend on each jurisdiction’s local needs.

In selecting measures to pursue, local jurisdictions should first consider what specific issue they are trying to address. For example, is a wider variety of housing needed citywide or does residential density within low-density zones need to be increased? The ultimate objective(s) will inform the appropriate measures to implement. As a part of selecting measures, local jurisdictions should also evaluate and analyze the potential for different measures to increase housing capacity or densities.

Lastly, local jurisdictions will need to continually monitor development outcomes after reasonable measures have been implemented to ensure they are having the intended effect. Adjustments to regulatory measures used may be needed to ensure they are functioning as effectively as possible.
Exhibit B
Island County Planning Commission's
Findings of Fact
~ FINDINGS OF FACT AND LEGISLATIVE INTENT ~

TO: Board of Island County Commissioners
FROM: Island County Planning Commission
DATE: August 27, 2018
REGARDING: Review and Update of the Housing Element of the Island County Comprehensive Plan

SUMMARY

The Washington State Growth Management Act (GMA) requires that cities and counties adopt comprehensive plans consisting of a minimum of nine "elements" that each cover a different topic of land use. These elements include maps, and descriptive text covering objectives, principles, and standards. Housing is one of the nine elements that the GMA requires to be included in a comprehensive plan (RCW 36.70A.070). The Housing Element is intended to ensure the vitality and character of established residential neighborhoods by providing for:

- an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;
- goals, policies, objectives, and mandatory provisions to preserve, improve, and develop housing;
- the identification of sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes and foster care facilities; and
- adequate provisions for existing and projected needs of all economic segments of the community.

During the 2016 periodic review process, Island County conducted a minor update of the Housing Element (Chapter 4 of the Island County Comprehensive Plan). In 2017 Island County began a larger update, based on a more in-depth study of the County’s existing housing
conditions and a more comprehensive look at the County’s policy approach to housing. In developing proposed amendments, it was the County’s objective to: not only revise the County’s housing policies; but to also better understand the current and future housing needs; to identify barriers to housing production and affordability; and to create a strategy to address the variety of housing issues through a comprehensive and consistent approach.

The Housing update approach focused on three important areas:
- understanding dynamics in the housing market;
- engaging the community on housing issues; and
- delivering policy and implementation guidance to meet the county’s diverse needs.

The Housing Element update has utilized technical data and analysis to better understand the county’s housing conditions, identify key issues, and provide context for crafting appropriate policies and action to address those issues. Engagement with residents and other key stakeholders allowed the County to receive information about housing needs and opportunities, which in conjunction with the technical analysis, helped the development of informed policy changes and implementation actions.

Ultimately, the Housing Element serves as a guiding document and resource for the County to utilize in the development of regulatory updates, programmatic updates, public outreach, and new housing related County initiatives. It unifies the many County departments behind a common approach and philosophy to housing by establishing goals and policies and identifying actions that the County can take to meet the housing needs of our community.

For the purposes of this Element, goal, policy, and implementation action are defined as follows:

Goal: general guidelines that explain an ideal future end, condition, or state related to the public health, safety, or general welfare of Island County, toward which planning and implementation measures are directed. Goals are long-term in nature and represent a county-wide vision.

Policy: a course or principle of action providing direction to the County as to how to carry out and achieve the goals outlined in the Housing Element.

Implementation Action: defined strategy or steps to attain identified goals and policies in the Housing Element. Unlike goals and policies, implementation actions are specific, measurable, and have a defined completion date. They outline the “who, what, when, where, and how” of reaching the goals and policies.

**FINDINGS**

1. Island County conducts planning activities in accordance with RCW 36.70, the Planning Enabling Act.

2. Island County is required to plan under RCW 36.70A, the Growth Management Act (GMA).

3. State law requires periodic updates of GMA comprehensive plans.
4. RCW 36.70A.070 requires counties and cities to develop a housing element ensuring vitality and character of established residential neighborhoods, and requires that the housing element contain:
   a. An inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;
   b. A statement of the goals, policies, and objectives for the preservation, improvement, and development of housing, including single-family residences;
   c. Identification of sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes and foster care facilities; and
   d. Adequate provisions for existing and projected needs of all economic segments of the community.

5. On December 13th 2016 Island County adopted amendments to the Island County Comprehensive Plan in accordance with the GMA 2016 Periodic Update.

6. On February 28th 2017, via Resolution C-21-17, the Board of Island County Commissioners approved the Housing Element Update to be placed on the Annual Docket for 2017.

7. On November 7th 2017, via Resolution C-110-17, the Board of Island County Commissioners approved the Housing Element Update to be continued on to the 2018 Annual Docket.

8. The 2017-18 update of the Housing Element has focused on understanding dynamics in the housing market, engaging the community on housing issues, and delivering policy and implementation guidance to meet the county's diverse needs.

9. To achieve the goals of the update, the project approach has involved significant public outreach to include stakeholder interviews, a community survey, a baseline review of existing programs and efforts, a housing needs analysis, identification of barriers and resources and finally the drafting of goals and policies.

10. On March 22, 2018 the draft goals and policies were sent to the Department of Commerce for 60 day review, and on May 17, 2018 Planning and Community Development received comments stating that the Department of Commerce was, "...impressed that Island County has devoted time to delve more deeply into each element of the Comprehensive Plan. For example, the County's work on the Housing Element to include more detailed planning, and encourage the continuance of work."

11. On April 25, 2018, Planning and Community Development issued a Determination of Non-Significance (DNS) in accordance with the State Environmental Policy Act (SEPA) for a full review and update of the Housing Element of Island County's Comprehensive Plan, determining that this non-project proposal does not have a probable significant adverse impact on the environment.

12. On March 29, 2018 the draft goals and policies were posted to Planning & Community Development's website and between the months of April and May a series of outreach events and presentations were then conducted on the draft, to generate further public review and refinement.
13. In consideration of all public discussions and information gathered regarding this Housing Element update, the Planning Commission finds that it is in the best interest of the community to:
   a. Encourage preservation of existing housing stock capacity, subsidized and affordable housing units, and the character of existing communities;
   b. Promote the development of different housing types, to meet the needs of all demographic segments of the population, housing tenure choices, and income levels, and to provide for these housing types in appropriate locations where infrastructure, public transit, and community services are readily accessible, planned in the near future, or included as part of a new fully-contained community established under RCW 36.70A.350;
   c. Promote fair access to housing and shelter for all persons;
   d. Promote policies that facilitate the reduction in the share of cost burdened households by increasing the supply of subsidized affordable housing; and
   e. Collaborate with other jurisdictions and housing organizations to address county-wide housing issues.

CONCLUSION

The Island County Planning Commission has held a public hearing to review the proposed amendments to the Island County Comprehensive Plan and hereby recommends that the Board of Island County Commissioners adopt the updated Housing Element and Reasonable Measures Addendum enclosed hereto as Exhibit "A".

Respectfully submitted through the Island County Planning Department to the Board of Island County Commissioners, pursuant to RCW 36.70.430, this ___ day of [Redacted] 2018 by,

Darin Hand
Chair, Island County Planning Commission

Enclosures:
A – Updated Housing Element and Reasonable Measures Addendum
B – Housing Element Goals & Policies in Tracked Changes
Exhibit C
Board of Island County Commissioners
Findings of Fact

The Board of Island County Commissioners approves of and incorporates in their entirety, the findings of fact of the Planning Commission, attached to this ordinance as Exhibit B. Additionally, the Board makes further findings of fact outlined below.

RCW 36.70A.070(2) requires that the Housing Element address the following items.

a) An inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth.

   The Board finds that Section 4.2 of the Housing Element (Exhibit A) meets the requirements of this provision.

b) A statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences.

   The Board finds that Section 4.5 of the Housing Element (Exhibit A) meets the requirements of this provision.

c) The identification of sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities.

   The Board finds that Section 4.4 of the Housing Element (Exhibit A) meets the requirements of this provision.

d) Adequate provisions for existing and projected needs of all economic segments of the community.

   The Board finds that Section 4.3 of the Housing Element (Exhibit A) meets the requirements of this provision.