

DATE: October 24, 2017
TO: Beverly Mesa-Zendt and Meredith Penny
FROM: Morgan Shook, Beth Goodman, and Erik Rundell
SUBJECT: Island County Housing Element Baseline Review

1 Purpose

This memorandum summarizes ECONorthwest’s review of Island County’s current Housing Element and existing programs and efforts. Based on this review, ECONorthwest has developed recommendations for updates and changes to the current Housing Element.

The Housing Element of a jurisdiction’s comprehensive plan provides policy direction for most housing-related issues within that jurisdiction. To do this, a Housing Element has to be 1) vertically aligned with higher-level state and county requirements and 2) horizontally consistent with other elements of the comprehensive plan. A Housing Element also should be horizontally consistent (or at least reference) with existing programs and services, and coordinated with policies of other partners and jurisdictions.

Housing Element Requirements

Ultimately, a Housing Element must meet the requirements of the Growth Management Act (GMA) and Island County’s existing Countywide Planning Policies. A Housing Element is a mandatory element of a comprehensive plan under the GMA. The primary goal of a Housing Element is to “encourage a variety of affordable housing for all economic segments of the population.” Based on RCW 36.70A.070, Housing Elements must meet the following requirements:

- *(a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;*
- *(b) includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences;*
- *(c) identifies 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; and*
- *(d) makes adequate provisions for existing and projected needs of all economic segments of the community.*

A jurisdiction’s comprehensive plan and its elements must also be consistent with the Countywide Planning Policies (CWPPs), which provide the framework for all comprehensive plans in that county. Under state law¹, CWPPs must “consider the need for affordable housing.”

¹ RCW 36.70A.210

Island County’s CWPPs outline housing policies that jurisdiction’s comprehensive plans should consider, particularly related to the intensity and location of different housing types.

Housing Element Internal Consistency

The goals and policies within a Housing Element should also be consistent with and supportive of related policies and plans in the County. First, a Housing Element must be consistent with the other elements of the comprehensive plan. The Land Use Element is the most directly relevant element with which the Housing Element needs to be consistent, but it should also be consistent with all elements of the comprehensive plan. A Housing Element should also seek to be consistent with the objectives of existing housing-related programs and services Island County provides. This does not mean the Housing Element cannot address gaps or changes to existing programs and services.

The goals and policies should also consider other regional housing efforts in which the County is participating in. For Island County, this would include the North Whidbey Affordable Housing Task Force recommendations and priorities. While not required, the County’s Housing Element and implementation actions would be more effective if they are generally coordinated with Oak Harbor’s, Coupeville’s, and Langley’s Housing Elements, beyond the minimum requirements established in the CWPPs.

Document Road Map

The remainder of the memorandum is organized into four additional sections:

- Section 2 summarizes ECONorthwest’s review of the current Housing Element.
- Section 3 summarizes the existing housing-related programs, services, and plans within Island County.
- Section 4 outlines the recommendations for changes and updates to the current Housing Element.
- Section 5 lists the next steps in the Housing Element Update process.

2 Housing Element Review

Island County’s current Housing Element was updated in 2016 with the intent that it would be updated in 2017 more thoroughly as part of this update process. This section comments on specific sections and items in the current Housing Element that ECONorthwest will focus on as part of the update process. Overall, the current Housing Element does meet the GMA and CWPP requirements. However, as a framework for housing policy direction, there are a number of items that could be changed or improved to function as a more informative and usable document for guiding Island County housing-related decisions and actions.

2.1 Housing Inventory and Housing Needs Analysis

As required by the GMA, Sections 4.2 and 4.3 of the current Housing Element provide figures on the housing stock, supply, and the housing units needed. Much of this information is based on the U.S. Census American Community Survey. As a result, the most recent Census data in the Element are 5-year averages from 2014. Improvements identified include:

- Other data sources for specific topics would provide more detailed and/or more recent data, particularly for the housing inventory and home sales price data.
- The discussion about demographics and income in this section only include high-level numbers, such as median age and income. Most of the information is presented in text instead of tables or charts.
- Commuting trends and data are absent from this section.
- Housing units cited are only total units by location, and they lack a breakdown by unit type or income/affordability levels.
- Some of the information provided, such as the snapshot of monthly supply of for-sale housing or the affordable housing index, are not particularly useful in understanding the underlying housing conditions and needs. Longer-term trends about listings and sales would be more informative.
- The format of some of the existing charts and tables could be updated to make the information visually easier to understand.

2.2 Affordable Housing

Section 4.4 discusses affordable housing and provides an overview of income levels in Island County and how they relate to housing costs. This section could be expanded to include more text and data to create a clearer narrative of current housing affordability conditions.

- Figure 4-7 is an important chart in understanding affordable housing needs relative to income. Additional text at the beginning of the section would provide more context.
- This section also lacks information on cost-burdened households, current for-sale housing costs, and current rental housing costs, which would also provide context about affordable housing conditions and needs in the county. Currently, discussion of housing costs and cost burdened households are in the Housing Inventory section under Sections 4.2.3 and 4.2.4.
- This section also needs text at the end summarizing current conditions and needs. This section currently ends with a series of charts and tables. As a result, key affordable housing trends and issues are not clearly identified or summarized.

2.3 Goals and Policies

The Housing Element goals and policies provide the framework for the County’s housing efforts. Goals should identify the broad housing objectives and outcomes the County is trying to achieve. Policies should provide overall direction and guidance on housing-related regulations, programs, and funding to achieve the established goals. State rules require housing goals and policies to address these three topics at a minimum²:

- Affordable housing;
- Preservation of neighborhood character; and
- Provision of a variety of housing types along with a variety of densities.

The goals and policies within the current Housing Element do align with the requirements cited above. Beyond just meeting State requirements, the Housing Element goals should capture the primary housing objectives for Island County. Based on the review of the Housing Inventory and Housing Needs Analysis, the goals generally correspond to the housing issues in the County. The findings from the identification of opportunities and barriers in Task 5 will inform the need for additional or more detailed objectives to include as new goals and any associated policies.

The existing policies listed in the Housing Element address a range of housing topics and have varying levels of detail. A few are written as high-level goals rather than more specific policies, such as *H 1.1 - Encourage the availability of affordable housing for all economic segments of the population*. In addition, a number of listed policies are too detailed and are more similar to implementation actions than policies related to housing regulations, programs, and funding. There are also some topics that are not addressed in the current housing policies, which the County may want to consider including in the updated Element. For example, there are not any policies about housing and development in RAIDs.

3 Related Programs and Plans

This section identifies and summarizes relevant pieces of existing programs and plans with which the updated Housing Element should be coordinated.

3.1 Island County Land Use Element

The Land Use Element of Island County’s comprehensive plan guides the County’s growth and how land is developed over the next 20 years. As a result, the Land Use Element has implications for housing development and supply. The updated Housing Element should align with the goals and policies established in the Land Use Element, particularly those related to where development occurs (such as Urban Growth Areas, RAIDs, or rural areas) and the form it

² WAC 365-196-410

takes. Specific Land Use goals and policies that the Housing Element will need to align with include:

- *Goal 4. Provide areas where urban land use activities may be concentrated in a manner which enables the efficient provision of public facilities and services.*
- *Goal 6. Designate Rural Areas of More Intensive Development (RAIDs) per RCW 36.70A.070(5)(d).*
- *Goal 7. Encourage clustered residential development where appropriate. All residential development should preserve the community feel of an area and further the protection of rural character in Island County.*
- *Goal 10. Create an area where rural agricultural activities are encouraged to occur with residential uses while preserving rural character and maintaining open space as the dominant characteristic.*

3.2 Current Housing Programs and Services

Island County and private organizations currently support a variety of programs and services for homeless and affordable housing. These efforts are administered through three primary avenues:

- **Island County Human Services Department.** The Housing Support Center assists individuals and families at risk of homelessness find emergency shelter and temporary assistance, as well as find transitional and permanent supportive housing. The Human Services Department also provides leadership and coordination for the Housing Provider Network, which includes public and private organizations providing housing and supportive services.
- **Housing Authority of Island County.** The Housing Authority administers the housing voucher programs and owns and manages public housing units in Island County.
- **Non-profit housing and service providers.** A number of private and nonprofit organizations own and manage subsidized affordable housing units throughout the County totaling 374 units. These units focus on specific populations including seniors, people with disabilities, and families.

In total; there are almost 500 units of subsidized housing in Island County. The majority of subsidized units are managed by private or non-profit organizations. The Housing Authority is responsible for 111 units. The large majority of subsidized units are in the City of Oak Harbor.

Exhibit 1. Subsidized Housing Units in Island County, 2017

City	Housing Authority Units	Privately Managed Units	Total
Oak Harbor	52	285	337
Coupeville	19	66	85
Langley	40	16	56
Freeland	0	7	7
Total	111	374	485

Source: Island County Human Services Department

3.3 North Whidbey Housing Task Force Recommendations

The North Whidbey Housing Task Force focused on addressing housing affordability issues in northern Island County and Oak Harbor. At the end of their process the task force developed and prioritized 40 different recommendations for increasing the availability and affordability of housing. The recommendations identified eight near-term priorities that could be made through local ordinance changes. The eight recommendations are quite specific, and would likely be potential implementation actions for policies within Island County’s Housing Element, assuming these actions are not taken before the Element is adopted.

Other recommendations that list Island County as an implementing jurisdiction touch on a variety of topics. Some, such as Recommendation #2 Land Banking, represent a potential policy to include in the Housing Element because it provides guidance for the County on housing-related regulations, programs, and funding. Most of the other recommendations are potential implementation actions. Not all the recommendations will be relevant for the update of Island County’s Housing Element. However, this list should be revisited later in the update process after Task 4 Housing Needs Analysis and Task 5 Opportunities and Barriers are complete to assess which recommendations are applicable for updated policies and development of implementation actions.

3.4 Other Jurisdictions’ Housing Elements

The housing market in Island County is a regional market. As a result, Island County’s housing policies and actions will be more effective if they are aligned with the efforts of other jurisdictions in the County. As noted above, Island County’s CWPPs require jurisdictions in the County to consider a few different housing-related policies in their comprehensive plans. However, further alignment of policies and implementation actions beyond what is required may be beneficial for all organizations.

Below are notable policies from the Housing Elements of the other jurisdictions that Island County should keep in mind when the goals and policies for its Housing Element are updated. There are two general housing policy topics that all jurisdictions have in their Housing Elements that provide opportunities for Island County to align its efforts.

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- All the jurisdictions have policies related to supporting and/or partnering to support affordable and special needs housing, which Island County can leverage through its current housing programs and services.
 - All jurisdictions also have policies about accommodating accessory dwelling units (ADUs), which present an opportunity to coordinate and implement relevant regulations similarly countywide.

City of Oak Harbor

The City of Oak Harbor has a number of housing policies, particularly for affordable housing, that address partnerships and monitoring that Island County could align with.

- *1.d Provide development incentives to promote the creation of housing units offered for sale or rent at below market rent.*
- *1.f Support efforts to develop self-help housing programs.*
- *1.h Consider the formation of a housing land bank or trust to provide low-cost housing.*
- *1.l Encourage the development and implementation of affordable housing as part of the City's annexation program.*
- *1.m Monitor affordable housing availability for low and moderate-income populations.*
- *1.n Consider adopting land use regulations that allow accessory units to address housing needs, while providing safeguards for the integrity of established neighborhoods.*
- *2.b Maintain a list of locally available financial assistance programs.*
- *2.c Coordinate and cooperate with the Island County Housing Authority and Opportunity Council to address siting and development needs for special populations.*
- *2.d Work cooperatively with social service providers to address the needs of homeless persons.*
- *2.f Encourage cooperation with local churches, other organizations, and individuals, to establish a short-term homeless shelter or mission.*
- *3.a Monitor absorption and inventory of land, to provide land resources for projected housing needs.*

City of Langley

The City of Langley has several policies related to ADUs and supporting the development of subsidized and special needs housing.

- *2.2 Encourage accessory dwelling units in residential zones as long as residential character, scale, and appearance are maintained and subject to design review.*
- *4.1 Use innovative techniques for enabling affordable housing, such as accessory dwelling units, a housing trust fund, inclusionary zoning, density bonuses, and similar options.*
- *4.4 Work with non-profit and governmental housing providers to build permanently affordable housing units.*

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- 4.7 Endorse and support the efforts of nonprofit housing organizations, whether governmental such as the Housing Authority of Island County, or community-based such as the Saratoga Community Housing, Whidbey Island Share a Home, or Habitat for Humanity; and endorse and support local organizations in their efforts to obtain technical and financial resources through private organizations and governmental agencies.
 - 5.1 Ensure special needs housing and group homes are permitted in appropriate areas in the city.

Town of Coupeville

The Town of Coupeville's Housing Element has just two goals. The policies relevant for the County are listed below.

- 2.2 Encourage development of special needs housing in appropriate locations, such as the areas designated as Planned Areas 2 and 3 on the Future Land Use Map (see Land Use Element Policy LU 2.2).
- 2.3 Develop a process and standards to permit accessory dwelling units in single family residential areas.
- 2.5 Encourage private sector efforts to secure federal and/or state funds to provide housing for elderly and disabled citizens.

4 Recommendations

This section summarizes ECONorthwest's recommendation for revisions and updates to the current Housing Element. The recommendations are not intended to be specific changes to individual goals and policies, which will occur late in the Housing Element Update process, but broader updates to the entire Housing Element for Island County's consideration. These recommendations will affect the work done under Task 4 (Housing Needs Analysis) in the scope of work.

4.1 Housing Inventory and Needs Analysis

There are a number of revisions to Sections 4.2 through 4.5 of the Housing Element that would more clearly communicate the "story" of the existing housing conditions and needs in the county. These revisions would also provide better information and context for updated goals and policies.

Housing Inventory (Section 4.2)

- Generally, the third level of subheading (4.2.1, etc.) breaks up the flow of the document and can be removed.
- The Housing Inventory and the associated charts and tables in the document should be updated with more detailed and/or up-to-date data.
 - Assessor data provides a more detailed breakdown of the housing stock by type and location for more recent years than available from the U.S. Census Bureau.

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- Building permit data shown in Figure 4-1 and Table 4-3 is duplicative of data on the housing stock by year built (Section 4.2.2) and can be removed. In its place, Assessor data can be used to provide a breakdown of the housing stock by both year built and unit type.
 - Other sources for home value data (Section 4.2.3), such as Property Radar, should be used to provide more accurate and up-to-date information. Also, consider removing Table 4-6 and related text on the monthly supply of for-sale housing. This data is out of date (2013) and Property Radar can provide more recent trends on listings and sales.
 - Section 4.2.4 Housing Costs and Affordability is more appropriate under Section 4.4 Housing Affordability and should be moved there.
 - Within Section 4.2.4, consider removing the figures with the housing affordability index. This information is not intuitive and the Housing Affordability section will address the level of affordability by income.

Housing Needs Analysis (Section 4.3)

- Add more information to the section about Population Trends and Demographics, sections 4.3.1 and 4.3.2.
 - Add longer-term historical population growth and move the discussion of future population growth from Section 4.3.4 to be included in Section 4.3.1.
 - Expand upon the demographics information provided by including historical change in the age distribution in Island County and the OFM's forecast of age change in the County through 2040. In addition, add information about changes in ethnic diversity and household size and composition.
- Add household income distribution to Section 4.3.3 income.
- Add a new section about commuting trends within and outside of Island County based on data from the Census's OnTheMap tool.
- Make Section 4.3.4 Housing Capacity its own higher-level section (such a new Section 4.5 Housing Forecast and Demand) and expand to include more detail on housing units needed to include:
 - Forecast of the number of new units needed
 - Forecast of new units by type of units
 - Housing capacity figures
 - Comparison of the demand for housing with the capacity

Affordable Housing (Section 4.4)

- Insert new text providing context about affordable housing and Figure 4-7 at the beginning of the section.

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- Add information about current home sales prices and trends in Island County (using Property Radar data).
 - Insert Section 4.2.4 in this section as identified above.
 - Update data about changes in rental costs from the Census currently in Table 4-8 and possibly show as a chart instead of a table.
 - Update data about cost burden, financially attainable housing, affordable housing units, and costs by income levels, which are currently shown in Figures 4-8 through 4-11.

Remaining Discussions (Section 4.5)

- Replace this section with the proposed new Housing Forecast and Demand section. This current section is no longer relevant.

4.2 Goals and Policies

Goals and policies in the current Housing Element should be updated to provide a policy framework and guidance for addressing the County’s current and future housing issues and needs. In addition, Island County should consider adding specific actions for implementing the updated goals and policies. These actions could be included in the Housing Element or could be included in a separate document. Specific recommendations include:

Goals

- Goal 2 could be divided into two separate goals, one about promoting a variety of housing and one about the appropriate location of housing.
- Goal 4 is too general and could be re-written to better to communicate what the goal’s objective is about and not list applicable RCW and WAC citations. Most of the policies under this goal relate to affordable housing topics.
- At least one existing policy (H 4.17 Monitoring the performance of Island County’s housing strategy) could be elevated to a new separate goal.
- The Element will likely include new goals based on the analysis and public engagement tasks.

Policies

- The policies should be updated to have an appropriate and consistent level of detail for providing direction on Island County’s housing-related regulations, funding, programs, and services.
- A couple of the policies in the current element are redundant with existing goals (such as H 2.1) and could be removed. Some of the policies are too specific and should be included as actions that implement the Element’s goals and policies.

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- The analysis and outreach efforts of Housing Element Update process will also likely identify new policies that the County will want to include in the updated Housing Element.

4.3 Implementation Plan/Housing Strategy

Island County currently does not have an implementation plan or strategy for ensuring the goals and policies in Housing Element are fully implemented. As discussed above, a number of the current policies are quite specific and are more similar to implementation actions than broader policies. However, most of the goals and policies do not have specific, associated actions. An implementation plan or strategy would identify additional actions where there are gaps and inform the development of annual work programs for Island County departments.

The implementation plan could take different forms. Ideally it would live as a separate document from the Housing Element so it could be easily updated over time. At a minimum, an implementation plan should identify 1) specific implementation actions associated with each goal and policy in the Housing Element, 2) who is primarily responsible for implementing the action, and 3) when the action should occur and if it needs to be sequenced with other actions.

5 Next Steps

Next steps for updating the Housing Element include:

- Ongoing stakeholder outreach, particularly with real estate professionals and affordable housing and social service providers.
- Updating the housing inventory and housing needs analysis consistent and with the recommendations discussed above.
- Identification of housing barriers and opportunities for market-rate and subsidized affordable housing.

These efforts will ultimately support the update of the Housing Element's goals and policies at the end of the year and will be completed in early 2018.