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San Juan County Council
c/o Clerk of the Council
350 Court Street, No. 1
Friday Harbor, WA 98250

Re: 2017 San Juan County Budget

November 9, 2016

To members of the San Juan County Council:

Following are my recommendations pertaining to the San Juan County budget and goals for 2017:

- 1) Fund the \$8,000 Community Development Department request to contract with critical area professionals. This is necessary for the county to properly do its job when reviewing complex development proposals. It is important this review be credible and impartial, to ensure county regulations are followed, neighbors are not adversely affected by the project, and the natural resources we all share are protected.
- 2) Fund the \$50,000 Community Development Department request to hire a contractor to complete the required review of properties in the open space tax abatement programs. These properties receive a reduction in property taxes based on the public benefit rating system outlined in San Juan County Code Chapter 16.50. When their taxes are reduced, other taxpayers bills are increased, affecting everyone who pays property taxes. The regulations governing this program have changed over the years, and when this happens, state law and state regulations require that everyone in the program be reevaluated and taxes adjusted to follow the current regulations. Until this work is completed there are potential tax inequities, with some people paying too little, and others paying too much and there a risk someone will take legal action to compel completion of the work. If this occurs the county will be forced to spend time and money on legal staff to deal with the matter, and will lose control of the timing of the update.

So the money spent on this reevaluation effort is not wasted, however, there are several changes that should first be integrated into the regulations (see next item on SJCC 16.50).

- 3) Amend the 2017 goals for the Community Development Department, County Council, and Prosecuting Attorney's Office to include consideration, and as appropriate, adoption of the existing recommendations for addressing problems in the unified development code (SJCC Title 18) and open space regulations (SJCC Section 16.50). Completing these amendments has been delayed for many years while the county worked to meet state planning requirements, and focused on regulations for subareas and activity centers. These amendments, which will provide a direct benefit to all San Juan County residents and landowners, should be accomplished now, before the Growth Management Act (GMA) update, which will likely take years to complete.

Many of the suggested changes are good recommendations provided by knowledgeable citizens: land use attorneys; county staff; and previous planning commissions, housing bank commissions and county councils. If implemented, these changes will improve incentives for the construction of affordable housing; ensure the public receives a fair benefit for shifting property taxes from open space program participants to other taxpayers; and clarify confusing and conflicting sections of the land use regulations. A copy of the

Community Development Department table summarizing the recommendations as of June 2014 is attached. More detailed information is on file with that department.

Of the regulation changes that have been suggested over the years, following are the two I believe are most imperative; both should be completed before the GMA update:

Development Standards for Rural Residential Cluster Development (SJCC 18.60.230).

Residential cluster development is one of San Juan County's existing mechanisms to encourage private construction of affordable housing. It is, however, rarely used and over the years planning commissions, housing bank commissions, county councils, and the non-profits that provide affordable housing have recommended regulation amendments to improve incentives, and remove obstacles, so more residential clusters might be developed.

Once adopted, the only cost to the county will be the processing of applications for rural residential clusters, and those costs will be partially offset by application fees. There is little if any down side to making these amendments, and revising the regulations may encourage private development of permanently affordable housing. These amendments will likely receive broad public support and if the Community Development Department, Prosecuting Attorney's office, and County Council make them a priority and work together, they could be adopted in as little as three or four months. The amendments that have been suggested are:

- a. Increase the bonus density provisions for affordable housing projects from 8 units to 12 units.
- b. Modify SJCC 18.60.230.C.6.d to increase the allowable floor area of homes in rural residential clusters from 1500 to 2000 s.f.
- c. Add assets as a factor to consider when determining eligibility for affordable housing.
- d. Establish local criteria for affordable housing at 120% of median income.
- e. Revise/ provide definitions of short term, long term, and permanent affordability (see Housing Element Section 5.2.D.9).
- f. Increase time allowed for the start and completion of rural residential cluster developments. The current requirements, which were viewed as too restrictive, are copied below.

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

- 1. Building permits issued for at least 50 percent of the units no later than 18 months from final approval of the short subdivision, long subdivision or binding site plan for the rural residential cluster;*
- 2. Building construction shall commence no later than 36 months from final approval of the short subdivision, long subdivision or binding site plan for the rural residential cluster;*
- 3. Project constructed and all units available for occupancy no later than 18 months from approval.*

Current Use Open Space Taxation Program (SJCC 16.50).

Previous planning commissions also suggested important amendments to the open space regulations. These are necessary to ensure the public receives a good benefit for the tax shift from individual landowners participating in the program, to the general public.

- a. Revise criteria for points associated with public access, and review public notification procedures to ensure San Juan County residents receive an appropriate benefit and ensure that public access to the property is actually available.
- b. Review points awarded for various actions, particularly those associated with conservation easements, and eliminate “double dipping”.
- c. Revise criteria related to views from the ferry to ensure the public receives an appropriate benefit.
- d. Revise evaluation procedure to make it clear it is applied parcel by parcel. This is necessary so that those with multiple parcels are not given an unfair advantage that has nothing to do with the benefit provided to the public.
- e. Ensure consistency with the county comprehensive plan and state law.

Thank you for the opportunity to comment.

Sincerely,

Shireene Hale