

**PLANNING COMMISSION
FOUR SPRINGS HOUSE, (585 Lewis Lane), CAMANO ISLAND, WA, WA
TUESDAY JULY 22, 2008**

	<i>Members Present</i>	<i>Members Absent</i>
<i>District 1</i>	<i>Val Hillers</i>	
	<i>Ray Gabelein</i>	
	<i>Mike Joselyn</i>	
<i>District 2</i>		<i>Terry Reynolds</i>
	<i>Bill Massey</i>	
		<i>Alan Schell</i>
<i>District 3</i>	<i>Wayne Havens</i>	
	<i>Deb Eidsness</i>	
	<i>Scott Yonkman</i>	

ROLL CALL

Val Hillers, Mike Joselyn, Ray Gabelein, Bill Massey, Deb Eidsness, Wayne Havens and Scott Yonkman

APPROVAL OF THE MINUTES

Minutes of May 27, 2008

Commissioner Massey moved to approve, Commissioner Eidsness seconded, motion carried unanimously.

Minutes of June 10, 2008

Commissioner Joselyn moved to approve, Commissioner Massey seconded, motion carried unanimously

ITEMS FROM THE PUBLIC

None

PLANNING DIRECTOR'S REPORT

Jeff Tate welcomed the Planning Commission to one of their Island County Parks' properties, Four Springs House. He stated he hoped that the Commission would be able to take the opportunity to walk around the property after the meeting; the park is approximately 50 acres and is a real gem. The house is owned and managed by the County with a live in caretaker. Wedding and other events take place at the facility.

Briefing items:

Update on the Seattle Pacific University application. At the last Planning Commission meeting the briefing advised an update would be given on WEAN's appeal of the SEPA determination for the Camp Casey Conference Center proposal before the Hearing Examiner. The Hearing Examiner delayed the hearing until August 22nd. This won't affect the Planning Commission's schedule as the Planning Commission is set to reconvene on that proposal September 9th. There will be a decision out by that time with advance briefing of the decision to be provided by email.

The delay is due to the size of the file and one week prior to the hearing WEAN submitted an additional 345 pages of brief and supplemental documents. In an open record appeal they have the opportunity to submit information during the hearing so it is good that this was submitted in advance. However, it was a significant supplement and the Hearing Examiner wanted staff to review and provide a response prior to the hearing.

The second briefing item related to the Affordable Housing Amendment. The Affordable Housing Summit was held in Coupeville, it was very well attended around 65 or so people. The invitation list for this summit included agencies, non-profits and individuals from the private sector who have a role in affordable housing; either building it, financing it or from a regulatory perspective. It was enlightening to see all the different groups of people and the different interest there.

There was a good facilitated discussion on ways to move forward. The summit lasted the full day; at the end of the meeting the participants were concerned and had an earnest desire to move ideas forward.

The ideas and thoughts raised seemed to have a general consensus that the issue isn't fully understood, from a quantification point of view. Better data needs to be gathered which will help formulate targeted goals. Another point made was that there is not a central group in place to monitor progress, making sure for example that non-profits are talking to governments, banks, and contractors. No-one is making sure there is a network of communication, there was a general consensus that it would be beneficial.

The event was sponsored by the Island County Council of Governments, which is the County the two cities, the Town and the Port Authority. There was discussion that possibly this group could provide good oversight with staff looking at the different issues. Another item was better coordination between different groups, looking at regulations to see if there are regulatory hurdles or other hurdles affecting groups and agencies.

The next step is a debriefing meeting, July 23 with the Council of Governments (COG) starting a discussion to move forward to encourage affordable housing. Mr. Tate stated he was going to brief COG members that weren't present at the summit continuing the discussion on what the next steps are to developing a strategy. He explained he briefed this same group on July 11th on things the County is looking at right now; such as items before the Planning Commission and those things seem parallel to the thoughts and urges of the group at the summit. Mr. Tate stated he felt it was positive discussion.

Commissioner Massey who also attended stated he was very favorably impressed with the outcome because the group set some specific deadlines to quantify what the problem is and what the volume of the problem is. He also stated the item for the proposal for the Comp Plan change was well received. Not only is there a need for someone who oversees all of the opportunities for affordable housing but to have an advocate for affordable housing.

There was a consensus that came out of each of the individual groups for expansion of the opportunities for accessory housing that has been very limited in Island County, yet has been very successful in other communities throughout the country.

Mr. Tate stated some of the ideas were shorter term solutions and some were going to take a very long time to accomplish. The discussion of accessory dwelling units and how to modify the rules to make that one of the more available affordable housing tools is one idea that would result in a shorter term solution. The City of Oak Harbor and the County each face different challenges in how their ordinances are written.

He further stated as discussion continues on the 2008 docket with the affordable housing implementation strategies before the Planning Commission, he would expect to see 2009 docket items that relate to affordable housing.

Commissioner Gabelein asked if that wasn't already a current option.

Mr. Tate stated that one of the struggles faced by the Department is that the number of accessory dwelling units are limited to 35 per year. There was general consensus to look at that number and see what is appropriate. That number was developed through a negotiated settlement process when the '98 Comp Plan was appealed, but it is still worthwhile looking back at that number since modifying that number has support from all of these different groups.

Commissioner Gabelein asked if that number related to anything.

Mr. Tate stated the number was arbitrary; it originally was based on the average being permitted per year with an increase to that number. The last couple years the number 35 has been hit, last year it was hit in May.

Commissioner Yonkman stated the last couple of years those guest house applications have seemed to tighten up and twice they have had to wait until the first of January to submit their application.

NON-POINT POLLUTION PREVENTION

Presentation by Jeff Tate, Director

Point pollution is something that may come from a factory or a given use on the landscape, one particular activity on a property emits some sort of pollution that is a point source. A non-point source means that it is a potential pollution threat that exists not from any one site but from a cumulative impact perspective. For example if in a given watershed you have one house and someone is applying fertilizer on the lawn, it is not a big deal, but when you have a thousand houses in that watershed applying fertilizer it has the potential to add up to a larger issue.

Non-point Pollution Prevention documents are policy documents created countywide that attempt to address this issue. They are not regulatory, they are policy documents, walking through and characterizing a certain region in the county, coming up with strategies and recommendations of things that can be done. Some recommendations are regulatory, but most aren't with regards to dealing with non-point pollution prevention. A lot of it has to do with education.

There is a North Whidbey Plan a Central and South Whidbey Plan with the latest being the Camano Non-Point Pollution Prevention Plan. The attempt is to be geographically focused on specific areas. With all three of these efforts, committees were put together to characterize what is occurring. The actions or recommendations then deal with the specifics of what occurs in that area. They may be more agriculture in one area and more residential in another. It is an attempt to be geographically focused.

The Department was more involved in the development of the Camano Non-Point Pollution Prevention Plan. It carries forth the same principals as in the other two documents. There is some state guidance, WAC sets out what should be done for watershed planning and non-point pollution planning.

Two things are looked at: what pollution threats or pollution concerns are you looking at and what land activities occurring across the landscape affects that. The committee work identified bacterial pollution in Island County as the one that should have the most focus. Fecal coliform has is ranked as the highest concern with Nitrates being the next concern.

Pollution Concerns:

Bacterial Pollution (highest concern)

Nitrates (high/medium concern)

Turbidity/Sedimentation (medium concern)

Metals (low concern)

Toxins (low concern)

The ranking doesn't mean these items aren't a concern, but it relates to how many land use activities contribute to these potential types of pollution in Island County.

Then the focus is on different types of land use.

Land Use Focus:

On-Site Sewage Systems

Farm Practices

Stormwater Management

Household Practices

Forest Practices

Marinas and Boats

Measurement and Evaluation

There is a whole section dealing with on site sewage systems, sections that deal with farm practices, storm water, household practices, forest practices and marine; then there is a section on measurement and evaluation to track the progress. These are categories established in the Administrative Code that gives guidance to the counties on how to organize one of these plans.

The Camano Plan:

There are a number of recommendations on how to address the pollution concerns and land use activities, which are also ranked. There are high, medium and low priority recommendations under each one of the previously listed categories. This provides guidance on how to priorities those things. If it is a high priority recommendation the Department tries to determine some cost estimates, if it is a low cost and high priority that would set the stage for what would be looked at first. Low priority and high cost would then be something further down the road.

Excerpt from the plan

Pg. 61, Table 3-1

SUMMARY OF RECOMMENDATIONS

Priority	Recommendation	Implementing Agencies (Lead in Bold)	Additional Costs*
<i>Stormwater Management</i>			
Top 1	Require sedimentation and erosion control BMPs for construction projects	Island County Planning	Low ¹
Top 2	Use incentives to encourage Low Impact Development (LID)	Island County Planning, Island County Public Works	Low to High
Top 3	Use LID in the design and construction of all new Island County facilities	Island County Public Works	Low to High
High 4	Maintain existing stormwater facilities	Island County Public Works, State Dept. of Transportation, State Parks	Low
High 5	Encourage private landowners to practice good stormwater management	Island County Public Works, Island County Planning	Low
Med 6	Plan and implement BMPs on golf courses and sports fields	Camaloch Golf Course, Stanwood-Camano School District, Island County Parks	Low to High
Med 7	Emphasize salmon habitat and other key natural resources in stormwater BMPs	Island County Public Works	Low
Med 8	Continue to use Critical Drainage Areas (CDAs) as the basis for stricter stormwater standards	Island County Planning, Island County Public Works	Low to Moderate
Med 9	Evaluate stormwater facilities for needed retrofits	Island County Public Works, State Dept. of Transportation, State Parks	Low to Moderate ²
Low 10	Inspect stormwater facilities after major storms	Island County Public Works	Low

¹ Cost may be high if 24 hour response includes non-critical area complaints

² Evaluation is a low cost; retrofitting may be high Low = Less than \$20,000 Moderate = \$20,000-50,000 High = More than \$50,000

* Costs are in ADDITION to current expenditures

Mr. Tate explained that when the Planning Department proposed an ordinance such as the wetland ordinance, behind the scenes the Department is thinking about how to incorporate these items into those ordinances, for instance the wetland ordinance has a Low Impact Development piece to it, trying to incorporate these non-point pollution plans and the recommendations within. The same holds true for any type of ordinance. A good example of this is Camano Island is the stages of a Camano Annex Plan; developing an overhaul to the Camano Annex and trying to incorporate with the project manager, Public Works, any Low Impact Development into the County's projects. Most of it relates to programs that are educational, things that the County should do, like maintain existing storm water facilities. The County has culverts, catch basins, oil water separators and they continue to do lead the way by example.

Island County should continue to encourage private landowners to implement stormwater management, which would be an education piece. The next section is a series of recommendation on on-site sewage systems. Some of them are obvious; the high priority one is prepare to administer and enforce new state standards for on-site septic. When this was drafted in late 2006 and ultimately adopted in early 2007, the Department didn't know as much as they do now in regards to where that program would end up. It is an implementation strategy that you can look back on and determine that the Board of County Commissioners and the Board of Health adopted a program to administer the State standards.

SUMMARY OF RECOMMENDATIONS

Priority	Recommendation	Implementing Agencies (Lead in Bold)	Additional Costs*
<i>On-Site Sewage Systems (OSS)</i>			
High 1	Prepare to administer and enforce new state standards for OSS	Island County Environmental Health	Low
High 2	2 Adopt a risk-based management approach for OSS	Island County Environmental Health	Low
High 3	Low Develop a plan for OSS that includes an inventory of all OSS on Camano Island	Island County Environmental Health	Low
High 4	Develop a comprehensive education program on proper maintenance for OSS	Island County Environmental Health	Low to Moderate
Med 5	Require OSS inspections upon the sale or transfer of property	Board of Island County Commissioners	Low
Med 6	Consider a broad range of funding options to offset the costs of OSS upgrades	Island County Environmental Health	Low ³
Low 7	Review the studies on nitrogen loading in Hood Canal and evaluate the applicability to Camano Island	Island County Planning, Island County Environmental Health,	Low ⁴
TBD 8	Encourage alternative methods for OSS management	State Dept. of Health, Island County Environmental Health	Low to High

³ The cost to evaluate funding options is low. The cost may be high if new funding mechanisms are established. ⁴ The cost may be high if studies are replicated

Mr. Tate stated that item # 4 was something that would be on the Planning Commission's agenda later in the year, with the discussion of the Homeowner's Septic Training Program. The Board of Health was taken out to the Patmore Park property on July 21st to

show them the classroom that has been set up at the park, which has an indoor element as well as an outdoor septic system that can be looked at. Part of that septic system is functioning and part of it is for education only. Camano Island will also have this same classroom. It contains a series of open trenches of the materials that are inside the pipes to show exactly what a system looks like underground.

Next to it is the parks septic system that is operating. The lids can be lifted to see exactly how it works; all in an effort to create a program that educates how these septic systems function; enabling people to learn how to inspect their own simple systems. A DVD was also created and will be complete in August, showing step by step how to inspect a system. The idea is for people to be able to take part of the test at home, and then complete the remainder in a two hour class room setting, providing a better understanding of how to manage their own septic system. It is another example of how these non-point pollution plans influence the direction of other programs within the Department.

Commissioner Yonkman asked how the more complicated systems would be dealt with.

Mr. Tate stated you can only become self certified for simple systems. It also provides additional information for those without a simple system. It provides educational information on how to maintain any septic system. The challenge the Department faces is in conveying the message to the public in regards to who can qualify for self certification and who can't.

Commissioner Gabelein stated he felt this was an excellent idea, there are lots of people moving to Island County that have been on centralized sewers and have never had to use and don't understand an onsite septic system. How they are used can make a huge difference in the function of the system.

Mr. Tate stated he would be starting with his own staff to educate them as it is an important piece to get out to as many people as possible.

Commissioner Havens stated when a homeowner or builder applies for a septic system wouldn't it be simpler to have a certified, license inspector look at the septic system every three years. Wouldn't it solve a lot of problems by just having it be a requirement?

Mr. Tate stated that State law requires inspection now, every year for alternative systems and every third year for conventional systems. It is in effect now. The program is providing an avenue for simple systems to be inspected by the landowner. The Health Department has a tracking system they have put in place for 17,000 systems. Full implementation will be in effect by 2010. There are some geographic areas that are more important than others to get to first, which has determined the sequence, but it will eventually encompass all properties.

Commissioner Eidsness stated an important element to all of this is to make sure there are enough inspectors out there. It is not a problem now because the building industry is in a slump, but when the economy recovers inspecting septic systems won't be as easy.

Mr. Tate responded that the Health Department stated that in this county the industry doesn't really exist to support all of the septic inspection requirements. It will build in time as the market demand builds.

Commissioner Gabelein stated he felt the market waited to see if it was actually going to become law. He stated he felt there was still some skepticism as to whether it would be enforced. He also stated he felt private industry would gear up and respond in time.

Mr. Tate stated that the HOST program (Home Owners Septic Training) had approximately 700 people signed up to take the program. He stated he wasn't sure how many of those 700 had the type of system that would qualify for self inspection. He further stated once those people take the class there is no way of knowing how many would actually want to inspect their own system once they understood just what was involved. It would however provide those individuals with information on how if they want to maintain their property in compliance with the law and it will provide useful information on how to use their system. It has had a positive response.

The Non-point pollution plan has a whole host of different recommendations on Farm Practices, Household Practices, Forest Practices, Marinas and Boats etc. The last section is related to measurements and evaluation. The top priority is to fully fund the Water Quality Program adopted by the Board, establish an oversight council of Camano residents as a sub-committee of the Planning Commission to monitor and evaluate implementation.

The following table shows the current progress of each recommendation practice.

Recommendation	Complete	In Process	Pending	Total Number of recommendations
Stormwater Recommendations	2	6	2	10
On-Site Sewage Systems	3	3	2	8
Farm Practices	0	6	2	8
Household Practices	1	4	2	7
Forest Practices	0	3	1	4
Marinas and Boats		2	2	4
Pharmaceuticals	0	0	1	1
Measurement and Evaluation	2	5	3	10
Land Use Regulation	0	1	0	1
Total	8	30	15	53

	Complete	In Process	Pending	Total
Top Priorities	2 33%	3 50%	1 17%	6
High Priorities	2 14%	10 71%	2 14%	14
Medium Priorities	3 13%	14 58%	7 29%	24
Low Priorities	1 11%	3 33%	5 56%	9
Total	8 15%	30 57%	15 28%	53

Summary from year one:

Overall

15% of the recommendations have been completed

57% of the recommendations are in the process of being implemented

28% of the recommendations have had no action

Top Priorities

83% of the Top Priorities are complete or in the process of being implemented

High Priorities

85% of the High Priorities are complete or in the process of being implemented

Medium Priorities

71% of the Medium Priorities are complete or in the process of being implemented

Low Priorities

44% of the Low Priorities are complete or in the process of being implemented

On-Going vs. Finite

Recommendations that can be completed: 19 of the total 53 recommendations that can be completed have been completed.

Recommendations that will always be in process:

34 of the recommendations will always be in process.

In March of this year, committee members who have spent several years putting together the plan were sent an update on where the Department is in the process. Letting them know the Department continues to consider the recommendations in the document as it addresses other programs in the county.

Scott Chase representing a number of WSU programs stated there were a number of things being developed that Planning & Community Development might not be aware of. He suggested he notify Mr. Tate of these as they come up.

Mr. Tate stated that implementing agencies have been identified and in year two the Department wanted to refine the process to be able to not just look internally in its' own department, but to look at what other agencies are doing.

Mr. Chase stated that some of the volunteers have been citing thing coming up like the pharmaceutical take back program.

Mr. Tate stated they only needed to discuss how best to share information. He further stated that one of the recommendations in the Camano Non-Point Pollution Prevention Plan was to stop flushing pharmaceuticals down the toilet, distributing them into the natural environment and make sure there was a take back program to dispose of them properly.

Commissioner Massey stated after the last presentation on surface water monitoring he began thinking about the fact that there was very little discussion about petroleum pollutants from road run-off. He asked if it was in the monitoring schedule.

Mr. Tate replied that petroleum or metal were not within the Surface Water Monitoring Program. It is focused primarily on bacterial issues, temperatures and other items. One of the things that Public Works has stated, from a county wide perspective, accumulations of petroleum and metals from brake dust and such are seen are in urban areas where cars are sitting. Typically, you don't see much of that affecting surface water quality in areas where cars are moving. Therefore one of the things taken from that information is that when you get into certain geographical areas, into certain basins, the program may need to be expanded. There are areas like Freeland that may need to have the program expanded to look at some of those other parameters, it is expensive so it won't be done county wide, but there are areas with more urban development where it would be appropriate to look at those types of parameters.

Commissioner Massey stated in other counties oil water separators are required in all development processes.

Mr. Tate stated that in Island County they are also required in the conditions imposed on development as precautionary, but there is not monitoring to watch for those parameters in the surface water. The program started with a bacterial focus, it will however expand over time to look at those issues.

Commissioner Gabelein asked who in the Department is heading this.

Mr. Tate stated that Chris Wilson had set all of these programs up in a very organized manner in the Resource Enhancement Program. When Mr. Wilson was promoted to

Assistant Director he was replaced by Matt Kukuk, who has now taken over the Resource Enhancement Program and is working closely with Chris during the transition.

Commissioner Gabelein stated it was a very ambitious program.

Mr. Tate agreed, there are a number of areas where there are recommendations; Salmon Recovery, Non-Point Plans, The Comprehensive Plan and a lot of it overlaps. The Department has developed a clearing house of recommendations and has developed a list to work off from. Whenever there is a mailer in the Shellfish Protection District or when doing education and outreach, such as in Strawberry Point with a grant related to salmon recovery, the Department constantly goes back to the whole list to determine if there are ways to interject education pieces that will help with the other programs. It is the reason the Board of Commissioners put Salmon Recovery, the Water Quality Program and why Parks is now part of the Department as well; to get all of the moving pieces talking to each other and working off the same page.

Bill Thorn asked if Island County was represented on the Puget Sound Consortium charged with cleaning up the sound.

Mr. Tate stated that Puget Sound Partnership is the newest state agency and Island County was definitely represented. There are a lot of different moving pieces there as well. Mr. Tate stated he takes part in the working core team; it is a group representing the Whidbey Basin, consisting of around nine individuals. The Whidbey Basin includes not only Island County, but Skagit County, Snohomish County, a large portion of Whatcom County and a little bit of King County. It all drains in one direction towards Camano Island and Whidbey Island. There are a lot of players that represent that huge area; it is the largest basin in the Puget Partnership organization. There are seven basins representing Puget Sound and Whidbey is the largest basin. Commissioner Dean also sits on a panel, which is more on a policy level. The County is participating in those on a formal level, but there is participation on all sorts of levels feeding into that process.

Another point Mr. Thorn made is that the County could adopt very long range goals of zero discharge. He stated that it has bothered him for a long time that many of the ditches accumulate to a point discharge in most cases, but there are a lot of them and that generalizes the problem. He stated that it seemed to him that adopting the public works practice of infiltrating all of the ditches would make a lot of sense. It may take fifteen years to implement and it wouldn't be cheap, but he felt it was a good idea. There was an opportunity over on West Beach to implement that when the re-paving project took place five years ago in an area where there was a wetland downhill from all the ditches. He stated he was never able to determine if it had been done, but he didn't think it had.

He said that it made sense to take advantage of those opportunities as Island County is a single source aquifer. Generally speaking it takes twenty some years for surface waters to get to the aquifer and by then they are well cleaned by soil. The County, in his opinion, should adopt a zero discharge principal and then work toward it.

Barbara Brock stated she would like to add an addendum to Mr. Thorn's statement with a qualifier that we not do away with our streams that in some cases are ditches, discharging to our estuaries. She stated that we wouldn't want to dry them up and that a few of them had just gotten back into the estuary.

Mr. Tate stated that it was finding the right balance, the right quantity of water and making sure that it is clean, whether it is going down or going out and quantity matters. You wouldn't want to starve the stream nor overload it.

Commissioner Gabelein stated that in most cases if the stream could infiltrate it would have already done so. In most cases your real streams wouldn't exist if they could infiltrate on their own.

Ms. Brock stated she was just qualifying the statement of zero discharge.

UNFINISHED BUSINESS

UPDATE ON AFFORDABLE HOUSING PUBLIC HEARING:

Bill Thorn, 1020 Sandy Beach Dr., Camano Island

He stated the subject of affordable housing has been of long standing interest to him. He stated he thought that section of the Comprehensive Plan was not well developed and it has been languishing ever since. He said he was delighted to see this opportunity coming along and thought affordability needed a little bit of definition.

Historically the concern has been about people who are homeless and people that are low income with most programs focused in that direction. He stated he saw much more of a medium income concern these days.

Typically a mortgagor will loan money up to a third of a person's income. If you look at the median income, most people cannot afford a house over \$150,000. The concern is that group includes teachers, first responders and a great many folks across the county. He stated he would like to recommend to the Commission that the County adopt a working principal for affordable housing that states the objective of the County is that the median wage earner can afford the median priced house, which presumes that roughly 1/3 ground rule. He said he would like to see this recommendation passed on to the Board of Commissioners who would then hopefully pass a resolution and/or carry it on to the Council of Governments.

Commissioner Massey asked to speak as an advocate for the amendment. He said he would like to read his letter of January 25, 2008, sent the Planning Director.

"For many years Island County has correctly concentrated a significant portion of its planning department resources in environmental issues that will protect the fragile ecology of our islands.

Included in the Purpose and Intent section of the Washington State Planning Enabling Act is “all to the end of assuring the highest and best standards of environment for living.”

I believe all of us can acknowledge that quality housing that is affordable for the average wage earner is becoming out of reach in Island County. Low income households are left with very limited options.

Approval of the attached amendments proposal will allow Island County to actively pursue strategies, in conjunction with concerned citizen groups, that lead to improved housing opportunities.”

He further stated the goal in sponsorship of this particular amendment is to have action items given to specific ordinances that encourage affordable housing and make the County an active player. For example a proposed change to the Comp Plan is for the County to review surplus properties that might be used for either affordable housing or to trade into tracts that might be used for affordable housing with the Island County Housing Authority or another group sponsoring median price housing.

There are non-profits that are supporting affordable housing for those people mentioned in the earlier testimony; there are landholders that hold the land in perpetuity, housing is then built on that land and the buyer only pays for the house, not the land. That makes that house attainable because the land cost is not attached.

Mr. Thorn stated there was a good example of that on Orcas Island.

Mr. Massey stated this is where the County can become an active participant as opposed to just a bystander in the process.

Mr. Tate stated the proposal being advanced by Commissioner Massey contains eleven strategies for incorporation into the Housing Element of the Comp Plan. They are actions that are clear and concise. They have to do with defining what is meant by affordable and low income; there are some actions related to support of the Housing Authority of Island County; looking at County surplus lands for opportunities to promote affordable housing; creating a staff position that works toward promoting affordable housing; looking at some of the permit review procedures and permit fee ordinances, trying to reduce costs; looking at urban growth areas and looking at transfer development rights.

Mr. Thorn asked if square footage was addressed in the proposal.

Mr. Tate stated that it was not in the proposal and he felt that issue was regulatory and there were strategies in the proposal for looking at the regulations and evaluating how to reduce cost. He stated you might look at square footage instead of density on some properties to enable more units, but smaller units.

Mr. Thorn stated there needed to at least be a mechanism for creating exceptions needed under the ground rule of it being affordable.

Mr. Tate stated that had come up a number of times.

Mr. Massey stated that one of the key elements is the staff advocate for affordable housing; without ordinances to back up changes to the Comp Plan nothing happens. The advocate would review all of the things proposed and then help in the process to develop ordinances that actually create opportunities.

Mr. Thorn asked if the proposal addressed maintenance of affordability. He stated San Juan County created their system by putting caps on the growth in the values of those properties. In some manner that needs to be addressed. He said the Third Avenue Cottages were a horrible example of affordable housing. He stated that in his opinion they got in under the guise of putting eight houses on that small piece of property on Third Avenue and now they are selling in excess of \$200,000; that is not affordable.

Mr. Massey stated that is where the land issue comes in with the non-profits holding the land so that the ultimate purchaser doesn't take advantage of the increase in land value. Typically in the Habitat for Humanity Program the purchaser of the house will gain some appreciation over time in the value of the house, but not in the land.

Mr. Tate stated that in the 2009 docket he expected to have other pieces for the Housing Element of the Comp Plan.

Public hearing portion of the hearing was closed and moved on to discussion among the Commission.

Commissioner Hillers asked for a discussion on the taxing issues related to the homeowner owning the house but not the land, stating her concern was in the assessment value of the property becoming too high.

Mr. Tate stated it might be possible to have the Assessor come to the next PC hearing to discuss the tax issue.

Mr. Tate stated it may be appropriate to have someone from Saratoga Housing come in to brief the Planning Commission about how that equalizes out. Sandra Stipe from the Community Housing Trust, Saratoga Community Housing discussed those very issues.

Mr. Massey stated he felt it would be worthwhile, that the tax issue was something that Assessors all over the country are wrestling with. In some counties and states they have actually adopted ordinances to protect the value of these lands so that the tax burden doesn't become too heavy.

Commissioner Hillers stated that it was then very important that the Assessor understands and assesses these with the knowledge that the homeowner gets no value from the land.

Commissioner Gabelein stated that the Assessor was bound by State Law and would only be able to do what the State Law allows. When looking at the impact that taxes are going to have on these people, State law makers will need to be involved. If the State is serious about this issue they need to take a look at the fact the homeowner can't realize gain from the land.

Commissioner Massey stated that under the non-profit programs and available tax credit Farmers Home Administration section eight, assessors all over the State have been assessing them at the lower rate for years. As the government found itself in need of funds they re-evaluated that and started taxing them at a rate that is common to all low income family housing. There is an abundance of appeals going through the State right now trying to get Assessors to back off and it is still in limbo. It is a complicated problem.

Commissioner Eidsness asked if the homeowner is responsible for taxes on both the land and the home.

Commissioner Massey stated that typically that was the case; the homeowner owns the home and pays a dollar a year rent on the land, but is responsible for all of the taxes.

Hillers asked if there were things that are regulatory related to assessed value.

Mr. Tate stated he would talk with the Assessor, Dave Mattens with respect to the programs that exist and the tax laws that exist today. There is some discretion or flexibility, but not much for the Assessor to interpret things. Perhaps what would come from this is a recommendation from staff or the Assessor to incorporate a new implementation strategy that deals with property taxation. Possibly in the form of approaching the Washington State Association of Counties, the lobbying agency for counties to approach the State Legislature, which would be an appropriate strategy to include into the County's action plan.

Commissioner Hillers stated it may be helpful to look at what is happening in San Juan and Whatcom Counties to see what Assessors are doing there.

Commissioner Gabelein stated he agreed with Mr. Thorn in that the median income household is increasingly seeing difficulties being able find affordable housing. He stated the trick to some of these strategies would be to come up with creative ways of increasing densities, but with some safeguards, making it very clear that a developer could not find a loophole and call it affordable housing. If it isn't bulletproof it may be overturned by the courts somewhere. He stated the compromise that limited accessory dwellings to 35 was due to an appeal. Safeguards needed to be in place all through the process with the agencies on board from the beginning in order to develop something that will stand up.

He stated there was a program in the seventies that had some affordable housing, he couldn't recall the name of the project, but some of those turned into a sort of disaster situation for a while. They weren't monitored carefully enough and turned into being

problem neighborhoods and he feared that stigma was still there for some people. There was a period of time, for about twenty years, where if you worked in these neighborhoods you didn't leave your equipment there; you packed it up each night. He said in order for people to accept this in their neighborhoods there will need to be safeguards built into it.

Commissioner Yonkman stated there was a need for balance. From the trade side, the construction industry needs to have an incentive to build. There is a real need for a balance. He said he saw a problem with sustainability; it may be that the budget doesn't afford using good quality materials that will hold up, you see some of these projects degrade in appearance as the maintenance is so high. He said there needed to be a balance to produce a quality project, along with the people willing to do the labor. He felt there was momentum; he had recently participated in building a Habitat for Humanity house, along with the excitement for the project he realized there are some base needs that need to be met so that the end product is worth the effort.

Commissioner Havens asked Commissioner Massey for more information about the renting of the land for a dollar a year.

Commissioner Massey stated that was just one program, Habit for Humanity for example across the country is gradually moving into that position, wanting to maintain the land for perpetuity. They are turning over their land to a land trust to benefit affordable housing forever.

Commissioner Havens asked if the homeowner doesn't own the land, does anyone monitor what he does with that property; are there a covenants set up.

Commissioner Massey stated there were very serious covenants involved. There are many programs out there, but those he is most familiar with, like Habitat for Humanity the homeowner pays their mortgage through Habitat for Humanity. Therefore that organization has a very keen interest in how the property is maintained and how the homeowner is doing. There are follow up programs as well as educational programs. These are on a fairly low income scale, although they are typically working people. He stated he hoped this proposal would lead to median income earners also having the opportunity to own a home.

Commissioner Hillers asked what the potential was for Saratoga Housing in ten years time, stating that it would take a lot of money to be buying land.

Commissioner Massey stated that program is just getting off the ground, but has received donations of land already. The land may not be used specifically for housing, but may generate income for housing or be traded into land that can be used specifically for housing. That particular group is talking to the Whidbey Camano Land Trust who may receive donations that are not appropriate for environmental preservation but might be appropriate for housing and then that presents a trade off opportunity and those organizations are beginning to work together as there is mutual benefit. It takes time,

programs that have been very successful were created twenty to thirty years ago and have matured and are doing a good job in the communities.

Commissioner Gabelein asked if the GMA allowed affordable housing in areas beyond existing RAIDs, cities or towns or perhaps in a NMUGA.

Mr. Tate replied that it would require some creative solutions, depending upon where it was at. When thinking about affordable housing, as a countywide issue, the cities and the Town and the Freeland NMUGA and the RAID's all have different ways of achieving the goal. In rural areas it is going to be challenging.

A starting point could be looking at Mobile and Manufactured homes and Mobile Home or Manufactured Home parks, which can be established because the density requirements for those types of developments are different than rural development. Then looking at accessory dwelling units and maybe looking at RAID's and what is around those RAID's, maybe considering different density bonuses. He stated it was within the Departments discretion to consider different density bonuses in the county

Commissioner Gabelein asked if that would be expanding a RAID.

Mr. Tate stated he wouldn't say it would be expanding it. If there is a RAID, using Bayview as an example, right outside the RAID there may be a rural property and because it is within a sphere of influence of that RAID with access to infrastructure, transit and retail service, it may be that the density bonus would be a different percent increase over what the normal rural density bonus is elsewhere. He stated these are things that could be looked at and considered.

Commissioner Gabelein stated these are not necessarily black and white and wanted to know if someone appealed would hold up to the Growth Board.

Mr. Tate stated the key was as Commissioner Gabelein had previously stated, making sure it is not a loophole for a developer to come in and just create housing. How do you make sure it is affordable housing and stays affordable housing. If those provisions are in place he felt there is the local discretionary ability to make some changes to regulations.

One of the things discussed at the summit related to the fact that this crosses all jurisdictional boundaries and because the issue needs to be quantified better it was important to have the Council of Governments looking at this. He stated he wasn't sure of the right measurement tool, but as an example if the need was to ensure that of 500 new house permits issued, 10% of them should be targeted as affordable units. Of that 10%, 50 in this example, 25 might be in Oak Harbor, 11 in Langley, 7 in Coupeville and some in the county. Then there is a discussion that it would need to be broken down regionally because Camano is different from Whidbey and North Whidbey is different from South Whidbey, so a regional focus on establishing those goals, then breaking it up so that the players involved in each of the areas talk to each other.

Commissioner Gabelein stated that just building smaller and more densely doesn't necessarily mean affordable such as some 800 – 900 sq. ft homes that are now selling between \$300,000 and \$400,000 in Langley, just being small houses on small lots does not mean affordability. There are a lot of challenges out there.

Mr. Thorn stated that when these were first put on the market they were selling for \$140,000 and had skyrocketed since then.

Commissioner Hillers asked what was driving those prices.

Commissioner Gabelein stated they were within walking distance of Langley.

Commissioner Massey stated Langley was an example of an urban core with some jobs associated with it, so it would be a place that a non-profit would look at very closely and the Land Trust would like to control land in a suburban area like that and then provide that land indefinitely for those affordable housing units to be built on. He stated the land prices were driving at least 50% of that \$400,000 house.

Mr. Tate stated affordable housing isn't just building new houses; there is existing housing stock that could have targeted efforts for acquisition. He stated he was geared towards planning but if there is communication and a strategy in place that everyone understands and agrees to, then the Council of Governments or the housing advocate could talk to some of the non-profits looking for opportunities in Langley, possibly ten units as a starting point, currently there are two. Some of the non-profits maybe set up to purchase something that already exists rather than those set up to create something new.

Commissioner Massey stated that was a good point and as an example a particular non-profit is looking at an existing project in Coupeville that happens to be brand new but in a down market it is not selling. If the land is taken out of the equation and the non-profit purchased a portion of that project, with a County staff person knowledgeable of available grants it could become a joint partnership, but you would need a staff person who knows what is available, that is why he is promoting that particular aspect of the proposed changed to the Comp Plan very heavily.

Mr. Thorn stated that some mix of rentals needed to be part of this equation.

Commissioner Gabelein moved to adjourn, Commissioner Massey seconded, motion carried unanimously.

Hearing adjourned at 11:04 p.m.

Respectfully submitted,

Paula Bradshaw
Administrative Assistant