JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA REQUEST

TO:	**Board of County Commissioners** **Mark McCauley, County Administrator**
FROM:	**Brent Alfred Butler, AICP, Director & Fire Marshal, Community Development** **Josh D. Peters, AICP, Deputy Director & Planning Manager, Community Development**
DATE:	**March 27, 2023**
SUBJECT:	**2023 Community Development Workplan**

STATEMENT OF ISSUE:

The Department of Community Development ("DCD") requests the Board of County Commissioners ("BoCC") input on the proposed 2023 workplan. Guidance from three earlier BoCC workshops and recommendations submitted as part of the joint Planning Commission/BoCC meeting on January 25, 2023 should assist this ranking/review process.

DCD recommends that the BoCC prioritize projects, programs and/or planning activities that must move ahead either because of funding obligations or life safety concerns. Second, DCD recommends weighing the impact of emerging issues on other recommendations that may result in the need for additional staffing. According to the Jefferson County Code (JCC), the Planning Commission's role is that as an advisory body to 'make recommendations to the county commissioners on all Comprehensive Plan matters, including amendments to the plan text and land use map, development regulations and subarea plans' (see JCC 18.45.010 (3)). Importantly, the Planning Commission's recommendation may exclude consideration of areas outside of their purview such as current planning and budget.

Emerging Issues

Four emerging issues require consideration. These include: a) Capacity; b) Site Development Review (SDR); c) New permit tracking software (Energov) impediments; and d) Economic unease contributing to a slowing of DCD's primary revenue source.

Capacity is a renewed concern because since 22 February 2023 staff resigned from the following job classifications: 1) Community Development Tech II, 2) Associate Planner; 3) Code Compliance Officer & Energov Lead, 4) Planning Supervisor, and 5) Building & Administrative Services Manager. Recruitment for these positions and training of new hires will supplant other work. Additionally, Jefferson County's interim controls (moratorium) ended on October 4, 2022 by adoption of an ordinance to determine the legal status of lots. This new SDR process has significantly increased the department's workload; many property owners, buyers and sellers of real estate, and both large and small developers are funneled through a small team of SDR reviewers. While the SDR process will improve with time, DCD is still in a critical phase with 76 completed reviews out of approximately 264 SDR applications submitted as of March 15, 2023. This process resulted in a reduction in the level of customer service, meaning permit review times have increased above the timelines previously shared with the BoCC. Coupled with this, staff has identified significant issues arising out of the new permit tracking system. Energov is the first new permit system the county adopted in nearly thirty years. This is further complicating the delivery of permits. Finally, DCD continues to review its permit volume and data published by the state's repository of housing data, the Washington Center for Real Estate Research (WCRER), documents a slowdown. WCRER's county-level data documents decreased permit volumes in the 4th quarter of 2022, and 2022 overall, respectively -4.7% and -6.2 percent (See Market Snapshot, 4th Quarter 2022, UW, WCRER, https://wcrer.be.uw.edu/wp-content/uploads/sites/60/2023/02/HMR-4Q2022-snapshot.pdf)

DCD Projects Overview

As identified in the July 11, 2022 workshop, staff identified thirty projects, programs and planned activities generally within five broad classifications: 1) Housing, 2) Fiscal, 3) Intergovernmental, 4) Infrastructure, 5) Other (see Attachment 1 – *updated list of DCD projects*). Recognizing concerns regarding service delivery, DCD staff also amended the then current level of customer service to between ten and twelve weeks from eight to ten for less complex permits received by the department. With the adoption of a new Site Development Review process, DCD is newly assessing the turnaround times.

Table 1: Prior workshops on DCD's workplan		
Date	**Subject**	**Action Taken**
November 7, 2022 Agenda Request.	Consideration of Supplemental Staff and Consultants to meet Lot of Record Implementation and Shoreline Management Program Update	County Administrator agreed to work with DCD to bring forward a contract amendment and a supplemental budget appropriation for the Board's review at a later date. This is now part of a separate request in today's consent agenda.
July 11, 2022 Agenda Request	WORKSHOP on Long-Range Planning Projects with a focus on Housing Programs, Policies and Plans	As part of this workshop, DCD identified a total of fifteen projects comprised of three new ones. Twelve prior projects were outlined in the BoCC's May 24, 2021 agenda item (see Table 2). All three new projects are advancing to completion and include: 1) the Fee Ordinance/Study, 2) C-PACER, and 3) Permanent Housing Facilities.
May 24, 2021 Agenda Request	Discussion on Community Development's FY2021 – 2022 Long-Range Work Program and Potential Action Directing Community Development to Initiate Unified Development Code updates	The BoCC directed DCD to initiate code revisions for "Transient Housing" and the "Legal Lot of Record" (see BoCC May 24, 2021 minutes). Code revisions to both have been adopted.

Planning Commission's 18 High Importance/High Urgency Areas

A review of the BoCC's project workplan as set forth in Table 2 illustrates that seven projects, programs and/or plan activities overlap with the Planning Commission's recommendations. The Planning Commission listed but did not rank its urgency areas. Nonetheless, DCD has identified their recommendations in bold and underline if they overlap with the BoCC's priorities gleaned from the previous workshops identified in Table 1. The 2022 Annual Report for the Jefferson County Planning Commission and Community Development Long-Range Planning more fully sets forth the Planning Commission recommendations.

1) **<u>Lot of Record</u>**
2) **<u>Short-Term Rental Ordinance</u>**
3) **<u>Affordable Housing Study</u>**
4) Farmworker Housing
5) **<u>Miles S&G Mineral Resource Overlay</u>**
6) IPH UGA Planning
7) **<u>Temporary Housing Ordinance Reprise</u>**
8) **<u>SMP Finalization</u>**
9) Planning Commission Retreat
10) BoCC Topical Workshops (Housing Incentives)
11) Multifamily Tax Exemption
12) Inclusionary Zoning for Affordable Housing
13) **<u>Stock Plans</u>**
14) Code Enforcement
15) Gateway (Caswell-Brown Village) Sub-area Plan
16) Countywide Planning Policy Update with Port Townsend and Tribes
17) Critical Area Ordinance Updates & Unfinished Farm Plan Coord. JCD
18) Glamping Code Update, Chapter 18.20

Table 2: Status of FY 2021-2022 Long-Range Work Program

	Project Name	Status
1)	UGA Sub-Area Plan	Withdrawn
2)	Affordable Housing Study	Recommended by the Planning Commission
3)	Unified Development Code (UDC) revisions	Incorporated in the 2022 Comp Plan Cycle
4)	Policy Changes/Code Interpretations & Building Policies	Currently in draft form
5)	Incentive programs	July 11, 2022 agenda incorrectly stated that no county fee waiver policy exists; a policy was adopted by Resolution No. 74-95 and it could be amended to create incentives
6)	Voluntary/Innovative programs	Stock plans in development. See https://www.co.jefferson.wa.us/1645/Stock-Plan-Subcommittee
7)	Short-Term Housing Revisions	Commissioner Eisenhour reached out to Chelan County and informed staff of their tiered approach. DCD participated in discussions arranged by Commissioner Dean with Granicus and Hip Camp
8)	Temporary Housing Facilities	Adopted by BoCC
9)	Lot of Record	Adopted by BoCC
10)	Shoreline Master Program	New grant funding consent request on today's agenda
11)	Mineral Resource Overlay	In process
12)	Green Burial Text Amendments	Withdrawn

<u>ANALYSIS</u>

If the BoCC were to prioritize projects, programs and/or planning activities based on earlier discussions, DCD should move ahead with those activities tied to funding obligations and/or life safety concerns. By funding obligations, DCD refers to fee paying applicants and obligations arising out of grants. In some instances, life safety concerns are directly connected to funding obligations and in other instances the connection is indirect. Grants for sea level rise, flood hazard management etc. may allow DCD to better understand future risks but additional steps would be necessary to reduce life safety exposure. As such, DCD recommends separating obligations arising out of fee-paying applicants and ranking them differently from grants. As set forth in the listed recommendation under priority number 1, current planning services are envisioned as the department's primary function. Current planning serves a dual role in that it addresses life safety concerns through the department's implementation of the state's international codes and implementation of inspections carried out by the Office of the Fire Marshal

Priority Number 1- Current Planning & Office of the Fire Marshal.

During the July 11, 2022 workshop, DCD concurred with the BoCC in its identification of current planning as DCD's highest priority. Among other activities included in this category would be the permitting of the Pleasant Harbor Master Planned Resort. As explained during the July 2022 BoCC workshop, the vast major of DCD's work is 'current planning' classified by the Washington State Auditor as an "Enterprise Funds" category for which a fee is charged to external users for goods or services. In current planning, applicants pay DCD to review their development plans and verify they meet local, state and federal laws and the State of Washington's building codes. Standard operating procedures, among other administrative documents, identify how staff administers provisions where the Jefferson County Code (JCC) or local, state or federal law are silent or unclear. Based on the BoCC input, DCD ranks the fulfillment of our current planning and inspection responsibilities as the department's primary responsibility.

In accordance with the Budgeting, Accounting and Reporting System (BARS) Manual, the BoCC's established policy requires DCD to recover development fees for the cost of the program or service and for 75% of the division/department administrative costs as more fully set forth by resolution. Fee waiver provisions accompany this policy and are set forth in Resolution No. 74-95, entitled 'Policy for Consideration of Fee Waiver Requests'. Since these Enterprise Funds are neither backed solely by a pledge of net revenues from fees and charges nor a legal requirement to recover costs, BARS likely requires these adopted policies.

Fire Marshal - Should DCD rank the Office of the Fire Marshal equally as important as current planning? Offices of the Fire Marshal in other municipalities review and inspect commercial buildings across their jurisdiction as a preventative measure to reduce the occurrence and severity of fires while ensuring adequate egress through inspections. The goal of these inspections is to ensure that places of assembly, businesses that cater to the public and other high occupancy locales are code complaint.

Priority Number 2 - Site Development Review Implementation & ENERGOV

Secondly, DCD recommends weighing the impact of emerging issues on other recommendations that may result in the need for additional staffing. Key among these other departmental issues is addressing the new systems and processes in place, as they affect the department's core service, listed above as priority number 1. DCD recognizes that the SDR process and ENERGOV are integrally related to the wider community's satisfaction. As such, DCD concurs with the Planning Commission's recommendation that resources should be allocated to improve the Lot of Record implementation process. Consequently, DCD considers this recommendation integrally connected to proposed priority number one.

Priority Number 3 – Grant Supported Activities

DCD recognizes that both the BoCC and the Planning Commission agree that the Shoreline Master Program is a high priority. Additionally, the Shoreline Master Program is one among several of DCD's grant supported activities which include: 1) Shoreline User's Guide, 2) Big and Little Quilcene Comprehensive Flood Hazard Management Plan, and 3) Sea Level Rise. Collectively, these grants address both ecological and life safety concerns.

Priority Number 4 - Comprehensive Plan Docket

Each year in March, Jefferson County accepts comprehensive plan amendments from the general public. At the same time, the Planning Agency, which includes both the Planning Division and the Planning Commission, may separately or jointly propose amendments. The 2023 docket includes five amendments. Three of these amendments originate from the public, and two from the planning agency, nos. 4 and 5. They are: 1) Midori Farms, a rezone of 14.5 acres from Rural Residential (RR)-5 to AL-20; 2) Gifford-Yep Property Rezone 17-acre currently RR-20 to RR-5; 3) Bayside Housing and Services Rezone UGA Commercial to UGA High-Density Residential, and two proposed amendments: 4) Housing Amendments and 5) UDC Omnibus Update

----

Priority Number 5 – Review list of DCD's thirty projects

In the current year, DCD should start its periodic comprehensive plan update. Several new areas that must be addressed include new housing element regulations and potentially a new Tribal element in addition to collaborating with the Tribes to update zoning on the west end. At this point, DCD recommends reviewing the list of projects included as Attachment 1, and considering them in light of the Planning Commission's recommendation, DCD's PowerPoint presentation summarizing current planning volumes and the emerging issues identified earlier.

DCD is currently relying on clerk hires to advance some community driven projects such as the Commercial Property Assessed Clean Energy and Resiliency project (C-PACER), Planning Commission volunteers to spearhead the development of viable Stock Plans that community members may use, and grants for other projects. Based on current capacity, DCD envisions grant funding, internships and limited term clerk hires as one of the few pathways to fulfill the BoCC's listed priorities, and other state mandated requirements.

<u>FISCAL IMPACT/COST-BENEFIT ANALYSIS:</u>

DCD recognizes that priorities number one and two have significant impacts to DCD's budget. While current planning projects generate recoverable fees, staff is not recovering the full costs to complete an SDR due to the streamlining of this new process that is underway. More significantly, the new permit software system, ENERGOV, continues to require significant fiscal resources and human capital far beyond that which was budgeted. In conclusion, DCD recognizes that the market is slowly changing, as evidenced by fewer building permits overall. This reality may necessitate a go-slow approach, which could be accommodated by the use of clerk hires, grants and volunteers to further the community's interests.

RECOMMENDATION:

After reviewing the PC recommendation, DCD lists of thirty projects and accepting public comment, identify any projects that should be advanced by clerk hires, interns or on-call services.

REVIEWED BY:

Mark McCauley, County Administrator   Date 3/22/23

Attachment 1 – List of DCD Projects

LIST OF PROJECTS, PROGRAMS & ACTIVITIES

Fiscal	Housing	Infrastructure	Intergovernmental
Incentive programs	Affordable Housing Study	Sewer UGA	Quinault Nation Zoning Review
Tax Exemptions	Inclusionary Zoning	Energov Permit Software Update	Fire Marshal
Fee Ordinance Update	FARMWORKER Housing	Coordinate H20 Plan Update	Valuations/Ratings
Grants	Short Term Rentals	Digital Plan Review	Com Plan Cycle (Tribal Element)
Glenn Cove – Special Study and Annexation Issues	Pleasant Harbor MPR		Countywide Planning Policy
LAMIRD Planning Review	Comp Plan (Housing Element)		
Code Compliance	Current Planning		
	Lot of Record		
	Port Ludlow Master Plan		
	Site Specific Comp Plan Amendments		
Other: Consistency Initiative; Planning Commission retreat, outreach and Comp Plan Recommendations; Unified Development Code Docket; Staff recruitment and retention initiatives; Mitigation (CASP, Administrative, Variances)			

1) Affordable Housing Study - an affordable housing study would review a mix of activities that fund, preserve, construct and rehabilitate both rentals and mortgaged properties. As envisioned in the May 2021 summary to the BoCC, this study could include among other activities a summary of regulatory revisions, policy changes, incentive, voluntary and innovative programs DCD could pursue. Stock Plans is one of the innovations currently used elsewhere to great success.
2) CASP – Critical Areas Stewardship plan is a process for reducing wetland and fish and wildlife habitat conservation area buffers by more than 25%.
3) Compliance

a. Civil Procedures Manual – this is the manual that identifies the compliance procedures so that they are transparent and consistently applied across all population segments.
b. Ongoing Compliance Issues – the department compliance process is compliant based, meaning the current compliance cases were submitted by community members.
c. Built without Permits – this is a process to reduce the life safety risk associated with illegal unpermitted construction that seeks to find a way to legalize unpermitted structures, and reduce the potential for loss of life and death if they are unsafe.

4) Comprehensive Plan Cycle
    a. First Nations Element – this responds to a new state, House Bill 1717, that relates to tribal participation in planning under the growth management act.
    b. New Housing Targets
5) Consistency Initiative – the process to develop a set of standard operating procedures that are transparent and enable equal treatment across all population segments
6) Coordinated Water System Plan Update – this is a comprehensive planning document that coordinates water supply, sufficiency, flow and standards across multiple agencies and users.
7) Countywide Planning Policies – CPP Countywide Planning Policies (CPPs) establish a countywide framework for developing and adopting county and city comprehensive plans. These comprehensive plans are the long-term policy documents used by each jurisdiction to plan for its future. They include strategies for land use, housing, capital facilities, utilities, transportation, economic development, and parks and recreation as well as a rural element for Jefferson County (RCW 36.70A.070). The role of the CPPs is to coordinate comprehensive plans of jurisdictions in the same county in regard to regional issues and issues affecting common borders (RCW 36.70A.100). Under state law, RCW 16 36.70A.210(1) describes the relationship between comprehensive plans and CPPs. It says that a countywide planning policy is a written policy statement or statements used solely for establishing a countywide framework from which county and city comprehensive plans are developed and adopted pursuant to this chapter. This framework shall ensure that city and county comprehensive plans are consistent as required in RCW 36.70A.100.
8) Current Planning - this is the branch of DCD where staff review applications to develop real estate, and reduce, minimize, eliminate or mitigate project impacts in accordance with the State Environmental Policy Act (SEPA).
9) Digital Plan Review
    a. Residential Review – due to the high department turn over, it is deemed prudent for the department to accept digital plan review in the even there are no plan reviewers available. Currently, DCD allows applicants to submit paper plans which cannot be sent to on-call consultants for review.
    b. Cross Training – this project would cross train inspectors and plan reviewers to ensure a continuity of operations in the event of illness, separation from employment or vacation of staff.
10) Energov Permit Software Update – this project upgrades the existing permit tracking system used by multiple departments including DCD, EPH and PW.
11) FARMWORKER Housing – this would create housing that is responsive to the needs of the county's agricultural community
12) Fee Ordinance Update – this study identifies the cost of delivering permits to ensure that the department's fees conform with RCW 82.02.020.
13) Fire Marshal
    a. Countywide Wildfire Protection Plan – a CWPP identifies and prioritizes areas for hazardous fuel reduction treatments and recommends the types and methods of treatment on Federal and non-Federal land that will protect one or more at-risk communities and essential infrastructure and recommends measures to reduce structural ignitability throughout the at-risk community.

    b. Program development leading to annual fire inspections of commercial businesses and other places where community members assemble

14) Glenn Cove – Special Study and Annexation Issues – this is a review of population projections to determine if the Port Townsend Urban Growth Area has sufficient capacity to meet its future needs. In the even that a study illustrates that there's a need for additional land on the city's periphery to accommodate growth, the urban growth area may potentially be expanded.
15) Grants
    a. FCAAP – The county is currently the recipient of a competitive grant to update a previous study and better understand flood risk along the Big and Little Quilcene Rivers.
    b. Sea Level Rise – This modeling of sea level rise will assist the county understand future flood risk, and ensure that housing permitted today is resilient into the future.
    c. Shoreline Users Guide – this guide will assist property owners develop their properties in conformance with current regulations.
16) Incentive programs – incentive programs include a range of activities including, among others, low income housing units, Tiny house communities, as more fully set forth in RCW 36.70A.540. Often included are density bonuses, height and bulk bonuses, fee waivers and exemptions, parking reductions, and expedited permitting. Commercial Property Assessed Clean Energy and Resiliency (C-PACER) provides a reduced carrying cost for multifamily housing providers by amortizing the sustainable improvements over a longer period than is typically allowed for commercial loans, and allowing the resulting debt to remain as a lien against the property and thereby enabling the debt to be passed on to new owners.
17) Inclusionary Zoning – this is the use of the municipal police power whereby upzoning of properties is accompanied by requirements for a portion of the new supply to be affordable to the local workforce or other income groups earning less than 80 percent of the area median income.
18) LAMIRD Planning Review – this new state law, ESSB 5275, allows development and redevelopment in terms of building size, scale, use, or intensity within a limited area of more intensive rural development if all existing providers of public facilities and services confirm that there is sufficient capacity to serve the new or increased demand from the development. It requires commercial development or redevelopment within a mixed-use area of a limited area of more intensive rural development to be primarily designed to serve the needs of the rural population, and sets limits on the size of retail or food service spaces within such development.
19) Lot of Record – this is a DCD project to reduce the proliferation of substandard lots, meaning lots less than 5 acres in rural areas. The process is implemented through a site development review application.
20) Planning Commission
    a. Annual Report & Retreat – this is an annual retreat where the Planning Commission will meet with members of the Board of County Commissioners and identify priorities and a workplan.
    b. Comp Plan Cycle Recommendations – this refers to the annual cycle where the Planning Commission submits recommendations for code changes, and reviews site specific requests submitted by member of the Jefferson County community.
    c. Planning Commission Outreach – this is a project of the planning commission to ensure that community member participate more broadly in the county's growth and development activities.
21) Pleasant Harbor MPR implementation – This is a new development that envisioned a compact community within the Black Point area of Brinnon.
22) Port Ludlow Master Plan – this is a project to review what the expiration of the development agreement means, and to determine if there is a way to create opportunities for older adults to age within the Port Ludlow community.

23) Quinault Nation Zoning Review – the Quinault Nation zoning overlaps the county's jurisdiction and this project would harmonize inconsistent zoning and comprehensive planning.
24) Sewer UGA – This project establishes a new sewer system in the Port Hadlock Irondale Tri-Area. More information is available online at https://www.jeffersoncountypublichealth.org/1158/Port-Hadlock-Wastewater-System and https://co.jefferson.wa.us/1158/Port-Hadlock-Wastewater-System
25) Shoreline Master Program – the shoreline master program identifies the buildability of land in the near shore habitat and establishes a process for review and development when permissible in accordance with the State of Washington guidelines.
26) Short Term Rentals – typically a short-term rental is less than 30 days, which meets the demand for tourist and others. A market externality of allowing short term rentals in communities is that studies document that these rentals reduce the supply of long-term rental units. See https://marketing.wharton.upenn.edu/wp-content/uploads/2019/08/09.05.2019-Proserpio-Davide-Paper.pdf
27) Staff Recruitment and Retention Initiatives – this is an initiative to reduce DCD staff turnover
28) Tax Exemptions
    a. Historic Preservation – To preserve historic barns, and reduce the regulatory burden of properties in the flood zone, a county historic preservation ordinance could exempt listed properties from FEMA and ADA regulations
    b. Multifamily Tax Exemption (UGA) – an exemption that accrues owners of real estate who agree to offer their property for rent below market rates in return for tax relief.
29) Unified Development Code Docket
    a. Site Specific Amendments – this is the annual comp plan cycle
    b. Critical Area Ordinance (CAO) Update – this is a new project to correct some inconsistencies and lack of clarity in the recently adopted CAO
    c. Mitigation (CASP, Administrative, Variances)
30) Valuations/ Ratings
    a. Community Assistance Visit – this is the five-year visit carried out by FEMA where they visit the community and select newly constructed properties in the special flood hazard area to determine if a community is complying with the National Flood Insurance Program (NFIP), a requirement for a community's ability to offer federally-insured flood insurance
    b. Building Code Effectiveness Grading Schedule – this is a grading of a community's building department that looks at the training of inspectors and plan reviewers, the years of services, and the number of certifications. The lower a community's score the better equipped a municipality would be rated, lowering the property and casualty rates of the community's homeowners and businesses.
    c. Washington State Ratings Bureau – this is the organization that conducts a comprehensive review of the ability of a community to implement the International Codes, and ensure comprehensive fire protection