BEFORE THE WESTERN WASHINGTON GROWTH MANAGEMENT HEARINGS BOARD

FRIENDS OF SAN JUANS, LYNN BAHRYCH and JOE SYMONS,

No. 03-2-0003c

Petitioners.

COMPLIANCE ORDER

٧.

SAN JUAN COUNTY,

Respondent.

JAMES NELSON, ET AL

Case No. 06-2-0024c

Petitioners,

FINAL DECISION AND ORDER

٧.

SAN JUAN COUNTY,

Respondent.

I. SYNOPSIS

San Juan County is an exceptionally beautiful rural county made up of islands with magnificent vistas and miles of shoreline. The County is accessible only by ferry or air. Most of its land is devoted to rural or resource uses. These unique characteristics have long made it a destination for tourists and a location for seasonal second homes. For almost a decade, the County has struggled with how to provide detached accessory dwelling units (ADU)¹ that are used as a source of income for residents, accommodations for guest and caretakers, and as a source of affordable housing. The length of this decision reflects the length of the struggle. During this time the Board of County Commissioners form of government has been changed to a County Council, and the membership of San Juan County's legislative body has changed as well.

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¹ The descriptor for these units has also evolved over time from guesthouse to freestanding ADU to now detached ADU.

The Friends of San Juan County (Friends) have long opposed the unrestricted allowance of detached ADUs in rural and resource lands and have challenged the County's previous attempts to adopt regulations to allow them. In our 2003 Final Decision and Order, we agreed with Friends that unrestricted numbers of detached ADUs in rural and resource lands created sprawl and urban growth in those areas, and violated the underlying residential densities. Now Friends supports the County's latest effort at amending its regulations for detached ADUs established by Ordinance 7-2006 (the Ordinance), amending SJCC 18.40.240 and other provisions of the County Code. However, Ordinance 7-2006 has not settled the controversy, and nine petitions challenged this ordinance.

In April 2003 the Board found noncompliant the County's regulations for detached ADUs (then called freestanding ADUs) because they did not count a 1000 square foot detached ADU as a unit of density in rural and resource lands, in violation of RCW 36.70A.060(1), RCW 36.70A.070(5), RCW 36.70A.110. The Board further found that the continued validity of those regulations for detached ADUs in rural and resource lands substantially interfered with the fulfillment of Goals 2 and 8 of the Growth Management Act (GMA) (RCW 36.70A. 020(2) and (8)).²

To remedy these noncompliance and invalidity findings, the County adopted amendments to its regulations for detached ADUs. First, the new ADU regulations provide that a detached ADU is considered as a separate residential unit for purposes of calculating residential density. This amendment conforms to the Board's determination that a detached ADU should be counted as an additional residence for purposes of calculating density. Second, the regulations create a program for permitting a small number of detached ADUs in rural and resource lands in excess of the underlying zoning density annually. Under the permitting program, a small number of detached ADU permits will be issued with strict limitations on location, shared utilities, size, ownership, and impacts on open space features of the property. The purpose of these restrictions is to ensure that the new ADUs are accessory to the primary residence and do not negatively impact the rural character of the Islands or the use of designated resource lands for agriculture or timber production. The County

² The Board rescinded invalidity placed on the County's provisions regulating detached ADUs in Order Lifting Invalidity issued on August 18, 2006 based on the amendments adopted by Ordinance 7-2006

projects that the number of rural and resource detached ADUs will not come to more than 15 annually.

In this decision, the Board considers whether this permitting program disturbs the densities of existing compliant rural areas, creates urban growth in those areas or encourages sprawl. In rural lands, the Board finds that the small number of detached ADU permits issued annually under the conditions placed on them will not disturb the existing compliant scheme of rural densities. The Board determines that because of the limitations described in the regulations and the historical pattern of guesthouses, permitting a small number of such detached ADUs in rural lands will not upset the traditional rural pattern of development in San Juan County and will not alter its rural character. As a consequence, we also find that this limited exception to counting detached ADUs as additional residential density does not allow urban growth in rural areas (RCW 36.70A.110(1)), nor does it promote sprawl (RCW 36.70A.020(2)).

However, we find that where the regulations permit detached ADUs on substandard rural lots (of 1 to 4 acres) they establish non-rural densities, creating urban growth and promoting sprawl. SJCC 18.40.240(G)(4) allows detached ADUs on rural lots that are already of non-rural densities. By allowing additional residences on those lots, that regulation contributes to even more intense uses on nonconforming rural lots. With a second residence on a small rural lot, the regulations allow residential uses to predominate over rural uses and rural levels of development. We find that this amendment (SJCC 18.40.240(G)(4)) is not compliant with the County's own comprehensive plan and the definitions of rural uses and rural development in the GMA. Further, the intensive residential uses on substandard rural lots constitute urban growth in rural lands in violation of RCW 36.70A0110(1).

The problem of pre-existing substandard lots is not prevalent in designated resource lands. However, the question in those lands is not so much one of compliant densities as one of conservation of those lands for purposes of resource production. In resource lands, the Board finds the size and location requirements will ensure that permitted detached ADUs do not convert agricultural or timber land to other uses or create uses on resource lands that are incompatible with the production of agriculture or timber. Further, the small number of ADU permits issued annually

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will be spread out over both rural and resource lands resulting in very few detached ADUs in resource lands.

Petitioners also challenge the public participation program followed by the County to adopt Ordinance 7-2006. Petitioners challenge that the process was flawed, in part because the County entered into settlement discussions with Friends which formed the basis for the first draft of the Ordinance. Petitioners believe that public input was disregarded as a result.

Here, we find that the public process followed by the County in adopting Ordinance 7-2006 was well publicized and extensive. While Friends made recommendations for the new ADU regulations, there was extensive opportunity for the public as a whole to comment on proposals and to make their own suggestions. Changes made to the draft ordinance over the course of the public process reflect consideration of comments and alternative points of view.

Petitioners also argue that the changes to the ADU regulations exceeded the scope of the remand from this Board and therefore should have been considered in the regular comprehensive plan amendment cycle. In this regard, the Board finds that the County had discretion to address the subject of the remand - regulation of ADUs – to resolve the appeal to the Board pursuant to RCW 36.70A.130(2)(b) and 36.70A.140 and chose to do so in the approach adopted in Ordinance 7-2006; the County did not go beyond the scope of the remand such that it was required to adopt the amendments to its ADU ordinance in its annual amendment cycle.

Petitioners assert a number of other challenges to the compliance of Ordinance 7-2006 with the GMA. They also argue that Ordinance 7-2006 fails to comply with the State Environmental Policy Act (SEPA) (Ch. 43.21C RCW), and the Shoreline Management Act (SMA) (Ch. 90.58 RCW), as well as claiming that the County's requirement for one ERU per detached ADU violates the County comprehensive plan, its development code, and state law. Several Petitioners also contend that the Ordinance places limitations on the construction or conversion of ADUs that are too restrictive, hinder the development of affordable housing, and interfere with economic development. One Petitioner claims that the permitting process created under the Ordinance is inefficient and unfair. The Board finds that Petitioners have not met their burden of proof that any of these violations have occurred here. Further, the Board notes that the County strategy as to ADUs harmonizes the

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Housing (Goal 4), Economic Development (Goal 5), and Permitting (Goal 7) goals of the Act with the Sprawl Reduction (Goal 2) and Natural Resource Industries (Goal 8).

II. PROCEDURAL HISTORY

See Appendix A.

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III. ISSUES TO BE DISCUSSED

COMPLIANCE ISSUE (CASE NO. 03-2-0003c)

Does the action that the County has taken to achieve compliance with the Board's April 17, 2003 Final Decision and Order/Compliance Order that found the County's regulations that allow for a freestanding accessory dwelling unit (ADU) on single-family lots with a principal residence in rural lands and resource lands, without counting it as a unit of density for the purpose of calculating the underlying density, cause the County's regulations for regulating freestanding accessory dwelling units to no longer substantially interfere with the goals of the Growth Management Act and to comply with the goals and requirements of the Growth Management Act. See Corrected Final Decision and Order (April 17, 2003)?³

ISSUES IN CASE NO. 06-2-0024c

SPRAWL

Issue 1: Does Ordinance 7-2006, Section 18.40.240 G(1)(b) fail to comply with Growth Board orders dated April 17, 2003 and July 21, 2005 and RCW 36.70A. 020(2) and (8) by allowing freestanding ADUs in rural and resource lands subject to an annual quota system? (Manning et al., 06-15c, Nelson, 06-20, and Wanda Evans, 06-17)

Issue 2: Is Ordinance No 7-2006, Section 18.40.240 A – G noncompliant with RCW 36.70A.020, Planning Goals 1 and 2, by allowing densities of greater than one unit per five acres in rural lands and Goal 4, by increasing land values in rural lands? (Ludwig, 06-24)

AFFORDABLE HOUSING

Issue 3: Does the Ordinance 7-2006, Sections 18.40.240 A, C, G (1), G(4)(b), and G(4c) fail to encourage the availability of affordable housing to all economic segments of the population, promote a variety of residential densities and housing types, and encourage affordable housing in violation of RCW 36.70A.020(4)? (Manning et al., 06-15C)

Issue 4: Does the Ordinance 7-2006, Sections 6,7, 8, and 9 fail to encourage the availability of affordable housing to all economic segments of the population in violation of RCW 36.70A.020(4) and RCW 36.70A.540? (Gutschmidt, 06-20)

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³ This description of the April 19, 2003 Final Decision and Order reflects the January 9, 2004, Thurston County Superior Court decision that upheld the Board in regard to density requirements for accessory dwelling units in resource and rural lands, but overturned the Board's decision on requirements for location and occupancy requirements in resource lands.

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30 31 32 Issue 5: Does Ordinance 7-2006, Section 8, SJCC 18.40.270 C violate RCW 36.70A.011 by not allowing short-term rentals? (Wanda Evans, 06-17)

PROPERTY RIGHTS

Issue 6: Does the Ordinance 7-2006 as a whole fail to ensure that private property shall not be taken from public use without just compensation having been made and that the property rights of landowners shall be protected from arbitrary and discriminatory actions in violation of RCW 36.70A.020(6)? (Manning et al., 06-15c)

PERMITTING

Issue 7: Does Ordinance 7-2006, Section 18.40.240 G(1)(b) and Sections 1, 3, 5 fail to further the goal of having applications for permits processed in a timely and fair manner to ensure predictability in violation of RCW 36.70A.020(7)? (Gutschmidt, 06-20, Manning et al., 06-15c)

CITIZEN PARTICIPATION AND COORDINATION

Issue 8: Did the County fail to develop Ordinance 7-2006 by not involving citizens in the planning process and ensuring coordination between communities and jurisdictions to reconcile conflicts as required by RCW 36.70A.020(11)? (Manning et al., 06-15c)

Issue 9: Did San Juan County violate the public participation requirements of RCW 36.70A. 130 and RCW 36.70A.140 by entering into the non-public development of a 'Settlement Agreement" with the Friends of the San Juans, and then enacting the substance of that Agreement against the advice from the Planning Commission and the Prosecuting Attorney, and without considering the potential improvements to the settlement draft that were offered by Petitioners and other public participants? (Baldwin et al., 06-16, Wiese 06-19)

Issue 10: Did the County's actions in adopting Ordinance 7-2006 violate RCW 36.70A. 035(2)(a)(ii)? (John Evans, 06-18, Wanda Evans, 06-17, Wiese 06-19)

Issue 11: Did the Ordinance 7-2006 violate RCW 36.70A. 035(1) (c) by not notifying Class A and Class B water systems of the legislation affecting private water systems established by Ordinance 7-2006? (Wanda Evans, 06-17)

Issue 12: Did Ordinance 07-2006 violate the San Juan County Code, by inserting "Lot Coverage" legislation in an ordinance that is advertised as an Accessory Dwelling Unit Ordinance without proper public process and without using the annual docket process? (Wanda Evans, 06-17)

Issue 13: Did the County fail to use good faith to ensure public participation and consider public input in developing Ordinance 7-2006 in violation of RCW 36.70A.020(11) and RCW 36.70A.140? (Gutschmidt, 06-20)

Issue 14: Does the requirement for one equivalent residential unit (ERU) of water for any detached ADU contained on Ordinance 7-2006, Section 9, mislead the public process and is it contrary to the County's stated goals, as stated in the Ordinance's recitals, in violation of RCW 36.70A.020 (4) and (7), RCW 36.70A.540, and RCW 36.70A.011? (Gutschmidt, 06-20)

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Issue 15: Does Ordinance 7-2006 violate the GMA public process requirements contained in RCW 36.70A.130(2)(a) which allow amendments "no more frequently than once per year"? (Nelson, 6-20, Manning et al., 06-15c)

Issue 16: Does the public participation plan adopted for Ordinance 7-2006 comply with RCW 36.70A.140 and does it substantially interfere with RCW 36.70A.020(11)? (Nelson, 06-20)

Issue 17: Did the "back door" negotiations with the Friends of the San Juans before and during the process that led to the adoption of Ordinance 7-2006 corrupt the public process to the point that the County failed to comply with the requirements of RCW 36.70A.020(11) and RCW 36.70A.140? (Nelson, 06-20)

Issue 18: Did the County's failure to follow through with its representation to the Board that it would seek an Appeals Court decision before attempting to amend the Development Code corrupt the public process contrary to RCW 36.70A.020(11) and RCW 36.70A. 140 and therefore substantially interfere with the GMA? (Nelson, 06-20)

PROCEDURAL ISSUES

Issue 19: Did the County violate RCW 36.70A.106 by not properly notifying the Department of Community Trade and Economic Development of its intent to adopt Ordinance 7-2006 at least 60 days prior to final adoption? (Manning et al., 06-15c)

Issue 20: Does Ordinance 7-2006 impermissibly address issues which were adequately addressed in the prior code provisions, and were not part of the Board's earlier finding of noncompliance and invalidity in violation of RCW 36.70A.130 (1), (2)(a)(b) and (7)? (Baldwin et al 06-16)

Issue 21: Did the failure of Ordinance 7-2006 to set forth the goals and provisions of the GMA that were considered violate RCW 36.70A.130 and RCW 36.70A.140 by failing to afford the public an opportunity to comment at a public hearing on the rationale being considered? (Baldwin et al., 06-16)

Issue 22: Did the County violate RCW 36.70A.305, RCW 36.70A.330, and RCW 36.70A.140 by going well beyond the issues of noncompliance? (John Evans, 06-18)

Issue 23: Does Ordinance 7-2006 that includes provisions which were neither challenged or found by this Board to be noncompliant in the previous ordinance (21-2002), which the present Ordinance seeks to remedy, and which are unrelated to the issues of structural density, violate RCW 36.70A.130(2)(b), RCW 36.70A.040, RCW 36.70A.040, and RCW 36.70A.100? (Wiese, 06-19)

Issue 24: Does Ordinance 7-2006 violate GMA procedural requirements contained in RCW 36.70A.130 (1)(d) and (2)(a) and (b) by adopting new regulations which are unrelated to the compliance issues raised in the July 21, 2005 Order, and therefore should have been considered under the County's annual docket process? (Nelson, 06-20)

Issue 25: Did the County's failure to make the entire public record that was developed during the adoption process available by including it in the index provided to the Growth Board constitute a

violation of their duty to comply with RCW 36.70A.290(4) and therefore substantially interfere with RCW 36.70A.020(11). (Nelson, 06-20)

Issue 26: Did the County through the adoption of Ordinance 7-2006, Section 6, violate RCW 36.70A.370 and RCW 36.70A.140, by failing to show in the record why 12 percent was chosen as the number of detached accessory dwelling units allowed in a given year, why there are no detached ADUs allowed on lots less than one acre, why there are no detached ADUs allowed on lots less than five acres in the shoreline, why there are limitations on proximity of ADUs to a principal residence, and why there is a prohibition of rentals of ADUs? (John Evans, 06-18)

Issue 27: Does Ordinance 7-2006 (at Sections. 6.F.3, 6.G.1.b, 6.G.2, and 8 and 9) establish new restrictions limiting construction and use of a main house after a guest house has been constructed, violate RCW 36.70A.302 (3-b-i) and substantially interfere with RCW 36.70A.020(6) and RCW 36.70A.370(2) by depriving property owners who have complied with previously existing County regulations, and who have built guest houses in anticipation of later building a main dwelling, of their vested rights which were established when they lawfully secured a permit to build their guest house? (Wiese, 06-19)

ACCESSORY DWELLING UNITS (ADUs)

Issue 28: Do the restrictions placed on ADUs in rural and resource lands by Ordinance 7-2006 violate 43.63A.215, as well as RCW 36.70A.020, RCW 36.70A.540, and RCW 36.70A.400 by allowing ADUs attached to the principal residence while restricting ADUs attached to either an otherwise allowed or existing accessory structure when neither location of an ADU contributes to additional structural density on rural or resource lands? (John Evans, 06-18)

Issue 29: Does Ordinance 7-2006, Sections 1 and 2, violate RCW 36.70A.400 and RCW 43.63A.215, by limiting the permitting of detached ADUs to 12 percent of the building permits from the previous year and allowing only two percent of these permits to be conversions of existing buildings and by not allowing ADUs to be attached to a garage or other accessory building? (Wanda Evans, 06-18)

SHORELINE MANAGEMENT ACT

Issue 30: Did the passing of Ordinance 7-2006 violate the Shoreline Management Act, RCW 90.58.130 and RCW 36.70A.480(1) by amending the County's Shoreline Master Program without proper notification and adoption process? (Wanda Evans, 06-17, Manning et al., 06-15c)

Issue 31: Did the passing of Ordinance 7-2006, Section 18.40.240 G(4)(c) violate WAC 173-26-100 (1) and (2), RCW 90.58.090 because no notice was given that Ordinance 7-2006 amended Shoreline Density? (Wanda Evans, 06-17)

Issue 32: Did the County fail to adhere to the requirements of RCW 36.70A.480 (1) by adopting changes to the shoreline regulations in the Uniform Development Code without following the required public process and adoptions procedures and without considering the impact of the new regulations on shoreline properties and consistency with the regulations of the Shorelines Element of the CP? (Nelson, 6-20)

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STATE ENVIRONMENTAL POLICY ACT (SEPA)

Issue 33: Did the County violate SEPA, RCW 42.21C, and WAC 197-11-560 when it adopted the Ordinance without SEPA review? (Manning et al.06-15c).

Issue 34: Did the County violate WAC 197-11-230 by conducting a SEPA process for the Ordinance that was reviewed by the Planning Commission, and by not conducting a new SEPA process for the new ordinance that was adopted by the County Council? (John Evans, 06-17, Wanda Evans, 06-18 John Evans)

Issue 35: Did the County's adoption process for Ordinance 7-2006 fail to comply with the requirements of the SEPA and therefore violate RCW 43.21 C and WAC 197-11-080, -210, -330, -060, -158, -230, and -235 which requires SEPA compliance and consistency with the County's comprehensive plan, including its Shoreline Element? (Nelson, 06-20)

Issue 36: Is the SEPA Threshold Determination of DNS noncompliant with RCW 43.21C and the SEPA Rules, Chapter 197-11-060, -080, and -330 WAC? (Ludwig, 06-24)

Issue 37: Was the environmental evaluation and analysis required by the SEPA rules adequate and compliant with RCW 43.21C and Chapter 197-11 -030 and -031 WAC? (Ludwig, 06-24)

HOUSING POLICY ACT

Issue 38: Is the Ordinance consistent with the State's Housing Policy Act, RCW 43.185B.0009? (Manning et al, 06-15c).

WATER SYSTEMS

Issue 39: Does the requirement contained in Ordinance 7-2006 for one additional Equivalent Residential Unit (ERU) of water for an detached ADU violate RCW 36.70A.130(1)(d), RCW 36.70A.070 and 36.70A.040(5) because it is inconsistent with the goals and policies of the Comprehensive Plan Section 4.2.B.1.6 and Development Regulations (UDC Section 18.60.020) contrary to state policy and water regulations that are regulated by WAC 246-290-100-4 and WAC 246-290-100-4(b)(i) and (ii)? (Nelson, 06-20, Wanda Evans, 06-17).

CONSISTENCY

Issue 40: Is all or part of Ordinance 7-2006 inconsistent or internally inconsistent with elements of the County's Comprehensive Plan and Development Code and does it therefore violate RCW 36.70A.070, RCW 36.70A.040(4), RCW 36.70A.130(1)(a) –(d) and (2)(b), RCW 36.70A.060(3), WAC 365-195-630 and WAC 365-195-500 which require comprehensive plans and development regulations to be consistent and internally consistent? (Nelson, 06-20)

IV. BURDEN OF PROOF

For purposes of board review of the comprehensive plans and development regulations adopted by local government, the GMA establishes three major precepts: a presumption of validity; a "clearly erroneous" standard of review; and a requirement of deference to the decisions of local government.

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Pursuant to RCW 36.70A.320(1), comprehensive plans, development regulations and amendments to them are presumed valid upon adoption:

Except as provided in subsection (5) of this section, comprehensive plans and development regulations, and amendments thereto, adopted under this chapter are presumed valid upon adoption.

RCW 36.70A.320(1).

This same presumption of validity applies when a local jurisdiction takes legislative action in response to a noncompliance finding, that legislative action is presumed valid.

The statute further provides that the standard of review shall be whether the challenged enactments are clearly erroneous:

The board shall find compliance unless it determines that the action by the state agency, county, or city is clearly erroneous in view of the entire record before the board and in light of the goals and requirements of this chapter.

RCW 36.70A.320(3)

In order to find the County's action clearly erroneous, the Board must be "left with the firm and definite conviction that a mistake has been made." *Department of Ecology v. PUD1*, 121 Wn.2d 179, 201, 849 P.2d 646 (1993).

Within the framework of state goals and requirements, the boards must grant deference to local government in how they plan for growth:

In recognition of the broad range of discretion that may be exercised by counties and cities in how they plan for growth, consistent with the requirements and goals of this chapter, the legislature intends for the boards to grant deference to the counties and cities in how they plan for growth, consistent with the requirements and goals of this chapter. Local comprehensive plans and development regulations require counties and cities to balance priorities and options for action in full consideration of local circumstances. The legislature finds that while this chapter requires local planning to take place within a framework of state goals and requirements, the ultimate burden and responsibility for planning, harmonizing the planning goals of this chapter, and implementing a county's or city's future rests with that community.

RCW 36.70A.3201 (in part).

In sum, the burden is on the Petitioner to overcome the presumption of validity and demonstrate that any action taken by the County is clearly erroneous in light of the goals and requirements of Ch. 36.70A RCW (the Growth Management Act). RCW 36.70A.320(2). Where not clearly erroneous and thus within the framework of state goals and requirements, the planning choices of local government must be granted deference.

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V. DISCUSSION OF COMPLIANCE ISSUE IN 03-02-0003c COMPLIANCE – WWGMHB CASE NO. 03-2-0003C

Positions of the Parties

Participants' Positions

Petitioners Ludwig and Austin contend that the amendments made to the County's ADU regulations by Ordinance 7-2006 still do not comply with RCW 36.70A.020(2) and RCW 36.70A.110(1) because they allow a detached ADU on less than 10 acres in rural areas.⁴

Petitioners Manning, Blanchard, Marshall, Baldwin, and Ziegler argue that the Ordinance allows for a detached ADU in rural and resource lands in direct contravention to the Board's April 17, 2003 order. ⁵

Petitioner James Nelson asserts that contrary to the Board's order the County continues to allow freestanding ADUs in rural and resource lands. He says that the allowance of an unlimited but unknown number of freestanding (detached) ADUs subject to an annual quota system in Ordinance 7-2006 allows for higher than rural densities, does not conserve resource lands and does not comply with RCW 36.70A.110(1), RCW 36.70A. 070 (5)(b)(c), and RCW 36.70A.060.⁶

Mr. Nelson claims that these amendments attempt to cloud the distinction between a freestanding ADU and one that is attached to an outbuilding by describing freestanding ADUs now as detached. He declares that this change was made to prohibit combining a garage and an ADU in many cases, when in a number of cases property owners will be allowed a garage, a house, and an ADU. He says the approach allowed by the amendments is a greater assault on structural density than was allowed under the prior ordinance.⁷ He claims that the ADU amendments, particularly those requiring the ADU to be within a 100 feet of the primary residence will have unintended negative

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⁴ Ludwig, Participants' Objections to a Finding of Compliance at 1 and 2; Austin, Participant's Objections to a Finding of Compliance at 1 and 2.

⁵ Manning and Blanchard, Opposition to Compliance Report and Motion to Lift Invalidity Filed by San Juan County and Objection to a Finding of Compliance at 2; Marshall, Baldwin, and Ziegler, Objection to Finding of Compliance and Motion to Supplement the Record at 3.

⁶ Nelson, Participant's Objection to a Finding of Compliance and Motion to Supplement the Record at 3, 8. ⁷ Ibid at 7.

impacts on the shoreline and will cause a "cookie cutter" approach to development that does not protect the rural character of San Juan County. ⁸

He claims that the Board should only find compliance if the Board reverses its April 17, 2003 order and that the County has not met its burden of proof that Ordinance 7-2006 is compliant with the Growth Board orders of April 17, 2003 and July 21, 2005. ⁹

County's Position

San Juan County asks that the Board find compliance because the amendments adopted by Ordinance 7-2006 now count detached ADUs as a unit of density in rural and resource lands with a limited exception. The exception is the allowance of a small number of ADUs located in close proximity to a primary residence subject to an annual cap. That cap is 12 percent of the number of building permits for new principal residences issued for the previous year, with two of the twelve percent reserved for conversion of existing accessory buildings. The County projects that this will result in about 15 detached ADUs annually in rural and resource lands. ¹⁰

The County points out that this limitation on the number of detached ADUs in rural and resource lands is combined with strict environmental and visual protections, including a sharing of utilities and driveways between the ADU and principal residence, requiring a full ERU for water, prohibition of detached ADUs in natural or conservancy lands, and required minimum lot sizes. ¹¹

The County maintains that detached guesthouses have been part of the historic character of the San Juan Islands and are consistent with its present rural landscape, where the natural environment predominates over the man made, and is compatible the GMA's requirements to preserve rural character. ¹²

Petitioner Friends of the San Juans supports a finding of compliance because Ordinance 7-2006 allows only a very limited number of detached ADUs in the manner of historic guest houses to continue being developed while tightly restricting the environmental and structural impacts of those

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⁸ Ibid at 9 and 10.

⁹ Ibid at 3 and 6.

¹⁰ Compliance Report and Motion to Rescind Invalidity at 3-4.

¹¹ Ibid at 5.

¹² Ibid at 5

detached ADUs. Friends says that adding 15 new detached ADUs a year will have a de minimus impact on the character of the County's rural lands and the effective use of the county's resource lands.¹³

Board Discussion

The situation presented to the Board at this time is markedly different from that presented in 2003. The chief petitioner in the underlying case, Friends of San Juans (Friends), no longer challenges the compliance of the County's ADU development regulations with the goals or requirements of the Growth Management Act (GMA). In fact, Friends now supports a finding of compliance as to the new ADU adoptions in Ordinance 7-2006.

The Board rescinded its determination of invalidity as to the ADU development regulations pertaining to detached ADUs on June 30, 2006. At that time, the Board determined that the County's new development regulations did not pose a significant risk that inconsistent development would occur during the compliance remand period such that proper GMA planning could not ultimately take place. Contrary to the arguments of Petitioner W. Evans, this ruling was not a determination of compliance but a determination that the County had reduced the scope of its detached ADU regulations so that their continued validity would not substantially interfere with the ultimate fulfillment of the goals of the GMA during the pendency of the compliance determinations.

On compliance, different but related issues are before the Board: whether the County's adoption of Ordinance 7-2006 fails to comply with Goal 2 (reduction of sprawl) (RCW 36.70A.020(2)), Goal 8 (natural resource industries)) (RCW 36.70A.020(8)), the requirements for rural densities (RCW 36.70A.070(5)), and the prohibition against allowing new urban development outside of urban growth areas (RCW 36.70A.110(1)). The challenge to compliance with Goal 2, Goal 8 and RCW 36.70A.110(1) was also raised in the new petitions for review by two remaining petitioners (Ludwig and Wanda Evans). None of the new petitions challenge compliance with RCW 36.70A.070(5) (the rural element requirements). Therefore, we will decide the rural densities issue as part of the

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¹³ Petitioners' Response to Objections and Brief in Support of Lifting Invalidity at 7

¹⁴ By "remaining petitioners", we mean those petitioners who briefed and argued their issues at the hearing on the merits. Those who did not brief and argue their issues are deemed to have abandoned them.

compliance case only. The challenges in the new petitions to compliance with Goal 2, Goal 8 and RCW 36.70A.110(1) will be decided together with those same challenges in the compliance case.

A. Rural densities and rural character. RCW 36.70A.070(5)(b) discusses the requirements for rural development:

Rural development. The rural element shall permit rural development, forestry, and agriculture in rural areas. The rural element shall provide for a variety of rural densities, uses, essential public facilities, and rural governmental services needed to serve the permitted densities and uses. To achieve a variety of rural densities and uses, counties may provide for clustering, density transfer, design guidelines, conservation easements, and other innovative techniques that will accommodate appropriate rural densities and uses that are not characterized by urban growth and that are consistent with rural character.

RCW 36.70A.070(5)(c) sets requirements for rural development and protection of rural character: Measures governing rural development. The rural element shall include measures that apply to rural development and protect the rural character of the area, as established by the county, by:

- (i) Containing or otherwise controlling rural development;
- (ii) Assuring visual compatibility of rural development with the surrounding rural area;
- (iii) Reducing the inappropriate conversion of undeveloped land into sprawling, low-density development in the rural area;
- (iv) Protecting critical areas, as provided in RCW 36.70A.060, and surface water and ground water resources; and
- (v) Protecting against conflicts with the use of agricultural, forest, and mineral resource lands designated under RCW 36.70A.170.

In finding the prior detached ADU development regulations non-compliant with rural densities, the Board determined that the regulations essentially permitted a doubling of residential densities throughout the rural zones. This failed to comply with RCW 36.70A.070(5)(b) and (c). The present detached ADU regulations, however, allow a limited number (approximately 15) of rural and resource lot owners to add a new or converted detached ADU to the principal residence in those zones annually. The Board must consider whether the addition of approximately 15 detached ADUs¹⁵, under the restrictions placed upon them by County Code, will violate the requirement for rural densities in the rural zones.

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¹⁵ Although the development regulations limit the number of detached ADU permits to 12% of building permits issued in rural and resource lands the previous year, the unique circumstances and history of land development in the San Juans demonstrates that the absolute number of such building permits is and will remain extremely small.

Petitioners argue that the County has not addressed the Board's finding that its detached ADU regulations increased the structural density on rural lots. ¹⁶ It is true that the County did not amend its regulations to prohibit all detached ADUs unless they are counted as additional residences for purposes of conforming to the underlying densities. Instead, the County has provided that a detached ADU will count as additional residential density unless constructed pursuant to an ADU permit. The detached ADU permit requirements include regulations to strictly limit the number of detached ADUs that may be constructed in rural and resource zones, requirements that they share major utilities with the primary residence, locates them in proximity to the primary residence in ways that minimize intrusions on critical areas and open-space features such as orchards and pastures, and requires that a full ERU of water is available for use of the detached ADU. The Board must determine whether this alternative approach complies with the requirements for rural densities in RCW 36.70A.070(5).

The County asks the Board to find compliance, arguing that the Board was wrong in its earlier determination that a detached ADU increases the structural density on a lot and that the Board should have focused on population density instead¹⁷. Whatever the merits of this argument, it is too late to bring it now. The Board's determination that the County's detached ADU regulations created noncompliant structural densities in the rural lands was decided, appealed to the superior court where it was affirmed, and then appealed to the court of appeals where it was dismissed by agreement of the parties. There was no reversal of the Board's determination and the Board, as well as the parties, is bound by it. Compliance in this case must be assessed, therefore, in light of the changes made to the prior noncompliant provisions of the ADU regulations.

In examining Ordinance 7-2006, the Board finds that first, that it now provides that "each detached accessory dwelling unit shall be counted as a separate dwelling unit for density calculations..."

This provision comports with the Board's 2003 decision. Ordinance 7-2006 then provides a program for exceptions to this principle:"...except when allowed pursuant to and ADU permit" 19

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¹⁶ Nelson, Participant's Objection to Finding of Compliance at 8.

¹⁷ San Juan County's Pre-Hearing Brief

¹⁸ SJCC 18 40.240(A)

¹⁹ Ibid

The program for detached ADU permits contains four major changes to the prior ADU regulations for detached ADUs: first, there has been a cap placed on the number of detached ADUs that may be constructed or converted in any year outside of an urban growth area or designated limited area of more intensive rural development (in San Juan County these are called activity centers)²⁰; second, the detached ADU must be located within 100 feet of the principal residence (up to 150 feet away if "impact" would be greater); third, the detached ADU must now share its septic/sewer system with the principal residence (in addition to sharing a driveway and water system); and fourth, a detached ADU must obtain a full equivalent residential unit of water available for use for the detached ADU in addition to the water required for the principal residence.

1) The cap. New SJCC18.40.240(G)(1)(b) provides:

Outside of the boundaries of activity centers and urban growth areas, the number of detached ADU permits in any calendar year shall not exceed 12 percent of the total number of building permits for new principal residences issued for the previous calendar year outside the boundaries of activity centers and urban growth areas. Two of that 12 percent (10 percent new, 2 percent conversions) of the permits released in any one year shall be restricted for the conversion of existing accessory structures that have legally existed for no less than five years. ADU permits shall be issued on a first come/first served basis under procedures established by the administrator. No unassigned ADU permits shall carry forward to the next year.

The County avers that the absolute number of ADU permits, based on historical numbers of building permits issued outside of activity centers and urban growth areas, is estimated to be about 15 per year. Of that amount, 1/6th of the ADU permits are allocated to conversions of existing structures that have been legal for at least 5 years.

2) Location of the detached ADU. Unlike the prior development regulations, Ordinance 7-2006 now expressly limits the location of the detached ADU to within 100 feet of the main residence:

Distance. The maximum distance between the closest vertical walls of the main house and any detached accessory dwelling unit shall be no more than 100 feet. If the 100 feet dimension would result in a greater impact, the administrator may allow up to 150 feet separation.

SJCC 18.40.240(G)(2).

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²⁰ ADUs are prohibited in Rural Industrial, Rural Commercial, Natural, and Conservancy Land Districts, as well as in the Island Centers District.

The question of "greater impact" that authorizes the administrator to allow up to 150 feet is described in the subsequent section. The location impacts are to "avoid or minimize intrusion on the most sensitive open-space features of the site":

Location. Locate every new detached ADU and its utilities and driveway to avoid or minimize intrusion on the most sensitive open-space features of the site, including but not limited to:

- a. Existing orchard, meadows an pasture areas;
- b. Ridgelines and contrasting edges between landscape types unbroken by structures;
- c. Rolling, open or steep open slopes;
- d. Critical areas.

SJCC 18.40.240(G)(3).

3) Shared utilities. Ordinance 7-2006 amends SJCC 18.40.240 to provide:

Driveway and Utilities. An accessory dwelling unit shall use the same driveway, septage[sic]/sewer system, and water system as the principal residence.

SJCC 18.40.240(F)(3).

The requirement for a shared septic system is new to this version of the ADU development regulations.

4) Water availability. Ordinance 7-2006 further amends SJCC 8.06.070 regarding water required for a new detached ADU:

A detached accessory dwelling unit shall include evidence of the availability on site of one equivalent residential unit [ERU] of water in addition to the water required for the principal residence.

SJCC 8.06.070 (definition of "Connection", in pertinent part).

The requirement for a full ERU of water for a detached ADU is distinguished from the amount of water availability required for an attached ADU. An attached ADU requires one-half of an ERU unless the owner can demonstrate that water use in the attached ADU will be less (up to 1/3 of an ERU)²¹ Petitioners Marshall, Zeigler and Baldwin argue that this distinction was a last minute addition to the ordinance and did not reflect meaningful consideration of the arguments against it.²² Friends argues that the water requirement is a further limitation on the number of detached ADUs that may be constructed.²³

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²¹ SJCC 8.06.070

²² Baldwin/Marshall/Ziegler Prehearing Brief at 6.

Friends' response to Board questions at the hearing on the merits. COMPLIANCE ORDER AND FINAL DECISION AND ORDER Case Nos. 03-2-0003c; 06-2-0024c February 12, 2007

With these changes, the County has altered its course of doubling the density potential in rural and resource lands and acknowledged that detached ADUs should count as additional density. The amendments enacted by Ordinance 7-2006 count a detached ADU as a unit of density with a limited exception.²⁴ This exception allows some detached ADUs on a permit basis.²⁵ In rural and resource lands, the number of detached ADUs which may be permitted in any year is limited to 12 per cent of the total number of building permits for new permanent residences issued outside of UGAs and LAMIRDs the prior year. This is estimated, by reference to the past history of building permits issued for single-family home construction in the rural and resource lands, to be about 15 per year.²⁶

In order to assess the impact of this exception to the density limitation for detached ADUs, we turn first to the County's Final Report on Accessory Dwelling Units.²⁷ According to this analysis, the total of "non-urban" parcels (excluding state and federal lands) is 13,991. The average parcels size in the rural and resource lands (excluding state and federal lands) is 7 acres. 28 The official land use maps for San Juan County show a majority of the lots on all of the islands as designated as rural or resource lands.²⁹ According to the official land use maps, rural densities vary from 1 dwelling unit per 5 acres (1du/5 acres) to 1 du/10 acres. While there are preexisting smaller lots in the rural zones, the general rule is that the maximum rural density is 1du/5 acres. This comports with general density guidelines articulated by the growth boards and this rural density scheme has been found compliant.30

Under Ordinance 7-2006, detached ADUs are permitted in the RFF (rural farm forest), RR (rural residential) and RGU (rural general use) zones.³¹ Based on the history of building permits in the rural and resource zones, the County estimates that 12% of the building permits issued in those zones will be only 15 a year. Given the number of potential parcels upon which detached ADUs

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²⁴ SJCC 18.40.240(A)

²⁵ Ibid.

²⁶ SJCC18.40.240 (G)(1)(b).

²⁷ Exhibit 4, at 3

²⁸ *Ibid* at 21.

²⁹ Land Use Maps, Comprehensive Plan (San Juan County)

³⁰ Michael Durland et al v. San Juan County, Case No. 00-2-0062c and Town of Friday Harbor, et al v. San Juan County, Final Decision and Order/Compliance Order (May 7, 2001) at 20; Michael Durland v. San Juan County, Case No. 00-2-0062c, Order Finding Compliance and Rescinding Invalidity (October 11, 2001) at 2. SJCC 18.40.240(C).

may be constructed or converted, an annual limit of approximately 15 of such permits is unlikely to disturb the existing, compliant scheme of rural densities.

However, it is also important to examine the nature and scope of the detached ADUs in determining their potential impact upon rural densities. Detached ADUs are limited to no more than 1,000 square feet in size.³² They must share water and septic/sewer with the principal residence.³³ They must also share a driveway and be located within 100 feet of the principal residence.³⁴ Further restrictions include only minimal intrusion in critical areas and open spaces.³⁵

In addition, detached ADUs under the San Juan County scheme are not separate residences in that they cannot be sold separately from the primary residence.³⁶ They may be rented but the rental term must be at least 30 days.³⁷

Another important aspect of rural densities is that they conform to the rural character of the specific county. The GMA recognizes rural character is not the same among counties and regions and requires each county to define its specific rural character:

Because circumstances vary from county to county, in establishing patterns of rural densities and uses, a county may consider local circumstances, but shall develop a written record explaining how the rural element harmonizes the planning goals of RCW 36.70A.020 and meet the requirements of this chapter.

RCW 36.70A. 070(5)(a).

The San Juan County Accessory Dwelling Units Final Report (Final Report)³⁸ describes the special conditions that make San Juan County's situation with respect to detached ADUs different from other counties:

The specific conditions of San Juan County, including transportation limitations of the island environment, and the long history of the islands as a vacation and retirement location, have

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³² SJCC 18.40.240(F)(1)

³³ SJCC 18.40.240(F)(3)

³⁴ *Ibid*; SJCC18.40.240(G)(2)

³⁵ SJCC 18.40.240(G)(3)

³⁶ SJCC 18.40.240(F)(4)

³⁷ SJCC 18.40.270 (L)

³⁸ Exhibit 4.

resulted in a rural environment with characteristics that are different from those of many rural counties in the state.³⁹

San Juan County's comprehensive plan's describes its rural character:

...Rural lands are intended to retain the pastoral, forested, and natural landscape qualities of the islands while providing people with choices for living environments at lower densities or use intensities than those in Activity Centers. 40

San Juan County's development code further describes rural character as:

...a quality of landscape dominated by pastoral, agricultural, forested and natural areas interspersed with single-family homes and farm structures.⁴¹

San Juan County's isolation, recognition as a tourist destination, historic use of ADUs for vacationing family members or as a vacation residence before a main house is built, and rural lot development pattern are unique characteristics. A process which maintains the ability to develop a small number of detached ADUs, constructed in proximity to the main residence and situated to maintain the open space features central to the rural areas, is in keeping with San Juan County's rural character.

Taken together, the Board finds that the small number of detached ADU permits in rural lands, the shared utilities and driveway, the requirement that the detached ADU be relatively close to the primary residence, the size limitation and the location restrictions within the lot will have a minimal physical impact on rural densities. The fact that the detached ADUs are also attached to the primary residence as part of common ownership also reduces the risk that the detached ADUs will become simply another house on the same lot. In sum, the new detached ADU regulations do not act to upset the existing compliant rural densities in San Juan County. Where the challenged regulations allow such a limited number of detached ADUs to be constructed or converted on rural lands of 5 or more acres per parcel, we find that they do not create non-compliant rural densities. However, San Juan County has gone beyond allowing a limited number of detached ADUs on rural lands with compliant rural densities. The County also allows detached ADUs to be constructed or converted on rural lots as small as one acre. These small rural lots were established before the GMA was adopted and would not ordinarily reflect an appropriate rural density. The County Comprehensive

³⁹ Exhibit 4, San Juan County Accessory Dwelling Units Final Report (August 14, 2002) at 7

⁴⁰ Section 2.3C of Land Use Element

⁴¹ San Juan County, Unified Development Code at SJCC 18.20, page 20.

⁴² SJCC18.40.240(G)(4)(b)
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Plan acknowledges the existence of lots in the RR (rural residential) zone that are below 5 acres in size but notes that this is because they were established in the 1979 comprehensive plan:

Existing parcels which were established under the greater densities of the 1979 plan may still be developed for residential use, but any further subdivision in these areas must meet the newly established density limits. Plan policies encourage the combination of existing lots in order to reduce the number of dwelling units that may be developed in rural areas where the existing parcel pattern would permit development at a density greater than that established by this Plan and the Official Maps.

San Juan County Comprehensive Plan, Land Use Element at 2.

Allowing an additional detached residence on a nonconforming rural lot is not consistent with the County's own plan for rural densities and preservation of rural character. In addition, the County's regulations allow an additional footprint of up to 2,000 square feet on a nonconforming rural lot if the ADU is combined with a garage. Such structural intensity does not conform to policies on rural densities under either the County's comprehensive plan or the GMA.

Conclusion: Ordinance 7-2006, as it applies to detached ADUs in existing, compliant rural zones, does not alter the existing compliant residential densities in those zones to an extent that violates RCW 36.70A.070(5). The development regulations limit the number of detached ADU permits to 12% of building permits issued in rural and resource lands the previous year; the unique circumstances and history of land development in the San Juans demonstrates that the absolute number of such building permits is and will remain extremely small. However, the regulations that permit a detached ADU to be constructed or converted on a nonconforming rural lot of less than 5 acres fail to comply with RCW 36.70A.070(5) because they expand the structural intensity in rural zones beyond that which is set out in the County comprehensive plan and do not conform to rural densities as defined by the GMA.

⁴³ SJCC 18.40.240(G)(4)(b)(ii)
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VI. ISSUES IN O6-2-0024c

A. Abandoned Issues

No petitioner in WWGMHB 06-2-0024c briefed the following issues: 3, 6, 8, 15, 16, 17, 18, 19, 23, 24, 25 27, 32, 33, 35, 38, and 40. "An issue not addressed in petitioner's brief is considered abandoned". 44

Conclusion: Petitioners have not carried their burden of proof pursuant to RCW 36.70A. 320(2) regarding Issues: 3, 6, 8, 15, 16, 17, 18, 19, 23, 24, 25 27, 32, 33, 35, 38, and 40.

B. Sprawl Issues

Issue 1: Does Ordinance 7-2006, Section 18.40.240 G(1)(b) fail to comply with Growth Board orders dated April 17, 2003 and July 21, 2005 and RCW 36.70A.020(2) and (8) by allowing freestanding ADUs in rural and resource lands subject to an annual quota system? (Manning et al., 06-15c, Nelson, 06-20, and Wanda Evans, 06-17)

Issue 2: Is Ordinance No 7-2006, Section 18.40.240 A – G noncompliant with RCW 36.70A.020, Planning Goals 1 and 2, by allowing densities of greater than one unit per five acres in rural lands and Goal 4, by increasing land values in rural lands? (Ludwig, 06-24)

Under this heading, we will discuss the challenges to compliance with Goal 2, Goal 8 and RCW 36.70A.110(1). We will discuss Goal 4 in the Affordable Housing Section of this order.

Positions of the Parties

Petitioners' Positions

Petitioner Ludwig states that Ordinance 7-2006 allows freestanding ADUs on lots of less than 10 acres. ⁴⁵ Petitioner Ludwig cites Western Washington Growth Management Hearing Board cases, including the April 17, 2003 Corrected Final Decision and Order and decisions from the Central Growth Management Hearings Board that have held that allowing an ADU with a principal residence on a lot of less than 10 acres constitutes impermissible sprawl. ⁴⁶ This Petitioner also declares that all three Boards have affirmed that one dwelling unit per five acres is the maximum permissible

⁴⁴ WEC v. Whatcom County, WWGMHB Case No. 95-2-0007. Also see OEC v. Jefferson County, WWGMHB Case No. 94-2-0017.

⁴⁵ Petitioners' Objections to a Finding of Compliance (June 27, 2006) at 1.

⁴⁶ Petitioner's Prehearing Brief (November &, 2006) at 2 citing *1000Friends IV*, CPSGMHB Case No. 04-3-0012 (Final Decision and Order, Date) at 13, and *PNA II*, CPSGMHB Case No. 95-3-0071.

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31 32 density in rural areas.⁴⁷ Petitioner says that the official San Juan County maps show a large percentage of rural land platted on lots of five acres or smaller, and Ordinance 7-2006 would double the density on rural lots. ⁴⁸ Petitioner argues that a study done as a part of the review of County's critical areas ordinance shows that all of San Juan County is a critical aquifer recharge area, and therefore no more density than one unit per five should be allowed until the critical areas ordinance is updated. ⁴⁹ Because the County can't predict where new detached ADUs will be built, Petitioner Ludwig contends these new ADUs constitute unplanned and uncoordinated growth which the Growth Management Act (GMA) seeks to discourage. 50

Petitioner Austin makes many of the same arguments as Petitioner Ludwig.⁵¹ Petitioners Manning and Blanchard and Marshall, Baldwin and Ziegler contend that the Ordinance still violates the Board's order that a detached ADU shall conform to the underlying density in rural and resource areas.52

Petitioner Wanda Evans alleges that because the Board has overturned its April 17, 2003 order, that it should now find Ordinance 21-2002, the ordinance that the Board's April 17, 2003 order found noncompliant and invalid, compliant. She argues that this ordinance is not much different than Ordinance 7-2006 except the County's regulations for detached ADUs now contains a 12 percent limit based on annual single-family development permits, rather than being based on the assumption that the number of residential lots containing ADUs would never exceed more than 16 percent. She contends that Ordinance 21-2002 is a better alternative because it was adopted with fairer public process and allowed for conversions of outbuildings to detached ADUs. 53

⁴⁷ Ibid at 3 citing City of Moses Lake v. Grant County, EWGMHB 99-1-0016 (Order on Remand, 4/17/02), Bremerton/Port Gamble, CPSGMHB 95-3-39c and 97-3-24c(9/8/97), Butler v. Lewis County, WWGMHB 99-2-27c (Final Decision and Order, 6/30/00), Better Brinnon v. Jefferson County, WWGMHB Case No. 03-2-0007 (Compliance Order, 6-23-04), and Dawes v. Mason County, WWGMHB Case No. 96-2-23c(Compliance Order, 3-2-01)
48 Ibid at 4.

⁴⁹ Ibid at 4.

⁵⁰ Ibid at 4.

⁵¹ Austin, Participant's Objection to Finding of Compliance at 1-2

⁵² Manning and Blanchard, Opposition to Compliance Report and Motion to Lift Invalidity Filed by San Juan County and Objection to a Finding of Compliance (July, 2006) at 2. Marshall et al, Objection to a Finding of Compliance and Motion to Supplement the Record (July 5, 2006) at 2.

⁵³ Petitioner's Prehearing Brief (November 14, 2006) at 1 COMPLIANCE ORDER AND FINAL DECISION AND ORDER Case Nos. 03-2-0003c; 06-2-0024c February 12, 2007

County's Position

The County maintains that detached ADUs are counted as a dwelling unit for the purposes of complying with underlying density in rural and resource zones with a limited exception. The County argues that Ordinance 7-2006 only allows a small number of detached ADUs in close proximity to a primary residence that can only be rented long-term to provide a source of affordable housing. The County states that the primary limitation on detached ADUs is only allowing permits for only 12 percent of the residential building permits per year with two percent of the 12 percent reserved for conversion of existing buildings to detached ADUs. 54 The County also asserts that Ordinance 7-2006 contains strict visual and environmental limitations on the construction of detached ADUs including provisions for the sharing of all utilities, an obligation for one equivalent residential unit (ERU) of water, prohibition of detached ADUs in natural or conservancy designations, and a minimum lot size .55

The County argues that detached ADUs are part of the historic character of San Juan County and consistent with the present rural landscape. The County contends the manner in which the County has chosen to permit detached ADUs assures that the natural environment with continue to predominate over the man made and is compatible the GMA's requirements to protect rural character.56

Board Discussion

Sprawl

Goal 2 of the GMA calls for reduction of sprawling, low-density development: Reduce sprawl. Reduce the inappropriate conversion of undeveloped land into sprawling, lowdensity development. RCW 36.70A.020(2)

In the Corrected Final Decision and Order of April 17, 2003, this Board found that the regulations for detached ADUs violated Goal 2 by converting rural and resource lands to sprawling, low-density development.

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⁵⁵ Ibid at 5 ⁵⁶ Ibid at 5.

For the same reasons that we find that Ordinance 7-2006 does not alter the existing compliant residential rural densities, the Board finds that the new ADU regulations do not create sprawling, low-density development in the rural zones. The limited number of detached ADU permits coupled with the limitations on location, ownership, utilities and impact on the open-space features of the lot prevent the detached ADU regulations from creating sprawl in those rural zones.

While we find that the provisions of SJCC 18.40.240(G)(4) fail to comply with the requirements for rural densities and rural character of RCW 36.70A.070(5)(b) and (c) by allowing expansion of the structural intensity in substandard rural lots, the Board does not find that they create sprawl at this time. The new ADU regulations allow the construction and conversion of detached ADUs in the rural residential zone on small rural lots of less than 5 acres. However, due to the limited number of such detached ADUs that may be permitted and the limitations on size, location and utilities, the Petitioners/Participants have not shown that this will create sprawl during the remand period. Since SJCC 18.40.240(G)(4) is remanded for compliance with RCW 36.70A.070(5)(b) and (c) and RCW 36.70A0110(1), prompt compliance with those provisions will also cure the risk for sprawl.

Conclusion: Ordinance 7-2006 adds only a limited number of detached ADUs in rural and resource lands every year. These detached ADUs are subject to strict controls and maintain close connections with the primary residence. They are not divisible from the primary residence and must share major utilities. Petitioners have not shown that this will create sprawl during the remand period. Therefore, Ordinance 7-2006 complies with Goal 2, RCW 36.70A.020(2), subject to a determination that continued validity of SJCC 18.40.240 may, if not made compliant during the remand period set in this order, substantially interfere with fulfillment of Goal 2..

Natural Resource Industries (RCW 36.70A.020(8)

Goal 8 of the GMA is the natural resource industries goal:

Maintain and enhance natural resource-based industries, including productive timber, agricultural, and fisheries industries. Encourage the conservation of productive forest lands and productive agricultural lands, and discourage incompatible uses. RCW 36.70A.020(8).

Mr. Nelson argues that the new regulations concerning detached ADUs continue to allow an unlimited number of freestanding ADUs on lots of 10 acres in resource lands and therefore fail to

conserve resource lands.⁵⁷ However, the number of detached ADUs that may be constructed or converted annually in resource lands is extremely limited. All detached ADUs, whether in rural or in resource lands, are limited to an average of 15 per year. This is not an unlimited number; on the contrary, it is a very small absolute number. While it is true that the actual cap is a percentage of building permits issued in the rural and resource land zones, the configuration and development of land in San Juan County does not offer a significant likelihood that this will ever be significantly greater than 15.⁵⁸ That is, 15 detached ADUs in all rural and resource lands annually, not just in resource lands.

Goal 8 pertains to the conservation and enhancement of natural resource lands so that they may be used for productive purposes. It also requires discouragement of incompatible uses. With the location requirements of Ordinance 7-2006, a detached ADU in resource lands must be located in the 100 foot vicinity of the main residence, with shared utilities and driveway. It also may not disturb orchards, meadows, and pastures, and may not interfere with the natural slopes and ridgelines of the property. The size of the detached ADU is limited to 1,000 square feet. Overall, there is no showing that a very small number of such detached ADUs would convert resource land to non-resource purposes, or would create an incompatible use.

Conclusion: Petitioners/Participants have not met their burden of showing that the new detached ADU regulations will violate the natural resources industries goal by converting resource lands to non-resource purposes. Further, they have also failed to show that the limited number of detached ADUs located in close proximity to the main residence and situated to reduce any impact on the natural open space features of the property will constitute an incompatible use. The Board finds that no violation of Goal 8 has been proven.

Urban growth outside of urban growth areas (RCW 36.70A.110(1)).

This provision of the GMA limits urban growth to urban growth areas:

Each county that is required or chooses to plan under RCW 36.70A.040 shall designate an urban growth area or areas within which urban growth shall be encouraged and outside of which urban growth can occur only if it is not urban in nature. Each city that is located in such a county shall be included within an urban growth area. An urban growth

⁵⁸Exhibit 4, San Juan County Accessory Dwelling Units Final Report (August 14, 2002) COMPLIANCE ORDER AND FINAL DECISION AND ORDER

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⁵⁷ Nelson, Objection to Finding of Compliance and Motion To Supplement the Record at 6.

area may include territory that is located outside of a city only if such territory is characterized by urban growth whether or not the urban growth area includes a city, or is adjacent to territory already characterized by urban growth, or is a designated new fully contained community as defined by RCW 36.70A.350.

RCW 36.70A.110(1) (emphasis added)

In our 2003 Corrected Final Decision and Order and Compliance Order in this case, the Board found that the sections of Ordinance 21-2002 "allowing a freestanding accessory dwelling unit on every single-family lot without regard to the underlying density in rural residential districts, including shoreline rural residential districts, fail to prevent urban sprawl, contain rural development, and, instead, allow growth which is urban in nature outside of an urban growth area.⁵⁹

As discussed in the sections on rural densities and sprawl above, the new ADU regulations no longer allow a detached ADU on every single family lot. The question remains whether the exception for permitted detached ADUs in rural and resource lands allows growth which is "urban in nature" outside of urban growth areas.

"Urban growth" is defined in the GMA as:

Growth that makes intensive use of land for the location of buildings, structures, and impermeable surfaces to such a degree as to be incompatible with the primary use of land for the production of food, other agricultural products, or fiber, or the extraction of mineral resources, rural uses, rural development, and natural resource lands designated pursuant to RCW 36.70A.170.

RCW 36.70A.030(17)(in pertinent part).

In the Quadrant decision⁶⁰, the Washington Supreme Court agreed with a King County determination that densities of one dwelling unit per acre constitute growth that is urban in nature. In general, residential densities of one dwelling unit per acre or per two acres are not rural densities. They are "incompatible with the primary use of land for the production of food, other agricultural products, or fiber, or the extraction of mineral resources, rural uses, rural development" because the residential uses dominate the parcel.

Quadrant v. Central Puget Sound Growth Management Board, 154 Wn. 2d 224 (2005) COMPLIANCE ORDER AND FINAL DECISION AND ORDER

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As described in Ordinance 7-2006, the addition of a detached ADU on rural residential parcels less than 5 acres in size is inconsistent with rural development and rural uses.⁶¹ The predominance of residential structures on a rural parcel makes it inconsistent with" ... a quality of landscape dominated by pastoral, agricultural, forested and natural areas interspersed with single-family homes and farm structures."⁶² It therefore creates growth that is "urban in nature", contrary to RCW 36.70A.110(1).

Finding compliance in instances where the detached ADU is permitted on a rural parcel of a compliant rural density of 5 acres in size is a much closer call for the Board. Allowance of a detached ADU on five acre rural parcels actually creates a structural density that is neither rural nor urban. All three boards have considered that a rural density is generally at least one dwelling unit per five acres. 63 However, local circumstances must be considered in determining whether that general principle should apply. In determining whether a detached ADU on a rural parcel of 5 acres creates urban growth here, the Board has looked carefully at the historical pattern of guesthouses in the rural areas on the San Juan Islands. Because of that historical pattern, a detached ADU may not create urban growth in San Juan County, that is, it may not impinge upon rural uses and rural character. Where the residential structures are not "incompatible with the primary use of land for the production of food, other agricultural products, or fiber, or the extraction of mineral resources, rural uses, rural development" in the rural areas, urban growth is not created. Giving due deference to the County Commissioners' determination of the importance of detached ADUs in the rural areas, the Board finds that the size and location restrictions on detached ADUs through the permit process limit residential uses from dominating over the rural uses of the property where the parcel is 5 acres or greater in size. The small number of such permits restrains the extent of such development in

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⁶¹ We distinguish between "urban growth" and "urban densities". "Urban growth" exceeds rural and resource land intensities. However, urban growth is not necessarily an appropriate urban density as a result. As in the *Quadrant* case, urban growth may be at only suburban levels of density.

⁶² San Juan County, Unified Development Code, SJCC at 18.20, page 20.

⁶³ See *Durland v. San Juan County*, WWGMHB Case No. 00-2-0062c (Final Decision and Order, May 7, 2001); *Sky Valley v. King County*, CPSGMHB Case No. 95-3-0068c (Final Decision and Order, March 12, 1996); *Yanisch v. Lewis County*, WWGMHB Case No. 02-2-0007c (Final Decision and Order, December 11, 2002); but see *Vashon-Maury v. King County*, CPSGMHB Case No. 95-3-0008c (Final Decision and Order, October 23, 1995); and *City of Moses Lake v. Grant County*, EWGMHB Case No. 99-1-0016 (Final Decision and Order, May 23, 2000) (holding that rural densities should be no greater than one dwelling unit per *ten* acres)

any one area so it is most likely that detached ADU permits will be issued in different locations, rather than establishing a pattern of growth. Along with San Juan County's unique rural character and historical pattern of guesthouse development, these limitations help guard against creating growth that is urban in nature. While the Board has concerns about the potential for the creation of urban growth with detached ADUs on 5-acre rural parcels, we find that the ordinance has addressed many of them and is not clearly erroneous on the grounds of RCW 36.70A.110(1).

Conclusion: SJCC 18.40.240(G)(4) allows the creation of urban growth in rural areas by permitting detached ADUs in parcels of substandard rural density. On such nonconforming lots, two residences predominate over the rural character and use of the land. This fails to comply with RCW 36.70A.110(1).

Where the parcels in question are 10 acres in size, the addition of a detached ADU does not create the specter of urban growth. Adding a detached ADU on a 5-acre parcel in rural lands is a much closer question. However, in light of the County's historical pattern of guesthouse construction, the limited number of detached ADUs that may be placed on rural lands of compliant 5-acre rural densities, and the restrictions on size and location, we find that the County's decision to allow permits for detached ADUs on some 5 acre rural parcels is not clearly erroneous as prohibited by RCW 36.70A.110(1)

C. ADUs and Affordable Housing

Issue 2 (in part): Is Ordinance No 7-2006, Section 18.40.240 A – G noncompliant Goal 4, by increasing land values in rural lands? (Ludwig, 06-24)

Issue 4: Does the Ordinance 7-2006, Sections 6,7, 8, and 9 fail to encourage the availability of affordable housing to all economic segments of the population in violation of RCW 36.70A.020(4) and RCW 36.70A.540? (Gutschmidt, 06-20)

Issue 5: Does Ordinance 7-2006, Section 8, SJCC 18.40.270 C violate RCW 36.70A.011 by not allowing short-term rentals? (Wanda Evans, 06-17)Issue 28: Do the restrictions placed on ADUs in rural and resource lands by Ordinance 7-2006 violate 43.63A.215, as well as RCW 36.70A.020, RCW 36.70A.540, and RCW 36.70A.400 by allowing ADUs attached to the principal residence while restricting ADUs attached to either an otherwise allowed or existing accessory structure when neither location of an ADU contributes to additional structural density on rural or resource lands? (John Evans, 06-18)

Issue 29: Does Ordinance 7-2006, Sections 1 and 2, violate RCW 36.70A.400 and RCW 43.63A.215, by limiting the permitting of detached ADUs to 12 percent of the building permits from the previous year and allowing only two percent of these permits to be conversions of existing buildings and by not allowing ADUs to be attached to a garage or other accessory building? (Wanda Evans, 06-18)

We will discuss these issues together, but not necessarily in the order above.

Position of the Parties

Petitioners Positions

Most of these parties object to the conditions placed on detached ADUs and argue that they are excessive restrictions on ADUs. They claim that the restrictions do not comply with the GMA's Housing Goal or requirements to allow for ADUs, as well as various other statutes. In contrast, Petitioner Ludwig contends that allowing detached ADUs on rural and resource lands without counting them as additional density should not be allowed since it works to increase rental rates and raise property values.

Petitioner Gutschmidt charges that the restrictions on detached ADUs imposed by Ordinance 7-2006 that limits their development and adds to the expense of development. This, he claims, is in violation of the GMA's Housing Goal. ⁶⁴

Petitioner John Evans states that San Juan County has focused on structural density to protect rural character. For this reason, he argues that it makes no sense to place restrictions on ADUs attached to an existing structure, as the County has done. Since these types of ADUs do not increase existing structural densities, he argues that they unnecessarily impinge upon the rights of property owners to create additional affordable housing stock, housing for returning children, and opportunities for additional income. He also argues that the limitations will have the effect of deterring the County's economic development since they contribute to the lack of affordable housing for workers in conflict with the GMA's economic development goal. He further contends that RCW 36.70A.400 serves as recognition by the State and the GMA that ADUs separate from the main

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⁶⁴ Brief (November 14, 2006) at 1-3.

Petitioner's [J. Evans}Prehearing Brief at 3. COMPLIANCE ORDER AND FINAL DECISION AND ORDER Case Nos. 03-2-0003c; 06-2-0024c February 12, 2007

residence play an important role in providing affordable housing. Finally, he argues that the limitations placed on ADUs have no basis in the record.⁶⁶

Petitioner Wanda Evans makes many of the same arguments as Mr. Evans about ADUs attached to accessory buildings, and asserts that the Central Puget Sound Growth Management Hearings Board's (Central Board) March 19, 1996 Final Decision and Order in *Peninsula Neighborhood Association v. Pierce County*, CPSGMHB Case No. 95-2-007(*PNII*) supports allowing ADUs to be attached to existing buildings.⁶⁷

The argument of Petitioner Wanda Evans suggests that by not allowing ADUs to be attached to accessory buildings without counting that as a detached ADU, the County is curtailing its ability to provide for tourist activities. She says that San Juan County has in the past allowed for "farm stays". She states that this activity has provided property owners with extra income to keep property in agriculture. She says that these activities should not be made illegal and by citing RCW 36.70A.011 she seems to imply that not allowing short-term rentals of all detached ADUs for this tourist business violates this statute. ⁶⁸

Petitioner Ludwig, on the other hand, claims that the additional detached ADUs to be permitted pursuant to Ordinance 7-2006 will make San Juan County's affordable housing stock less affordable and inconsistent with the GMA's Housing Goal for two reasons. First, because ADUs can be rented for as little as 30 days, this rental timeframe will make market rate and vacation rentals cost more than 30 percent of a certain income, thus tending to make ADUs unaffordable. Secondly, Ordinance 7-2006's allowance for a detached ADU on a parcel with another residence will create greater density and make these properties 50 to 75 percent more expensive. He says that these are notorious facts that the Board can consider pursuant to WAC 242-02-670 (2) and (3) and also cites an article by Peter Wolf called "Land In America: Its Value, Use, and Control". 69

66 Ibid at 4.

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⁶⁷ Petitioner's [W. Evans] Prehearing Brief at 3.

Petitioners Prehearing Brief at 2.Petitioner's Prehearing Brief at 5

County's Position

Ordinance 7-2006 expands the base of affordable housing. Ordinance 21-2002 was found compliant with the GMA's affordable housing requirements, the County points out, and Ordinance 7-2006 expands the allowable development of ADUs as compared to the noncompliant and invalid provisions of Ordinance 21-2002. ⁷⁰ The County maintains that a wide range of regulatory options exist and the County has the final choice among the options. The County asserts that all of the issues raised by the Petitioners John and Wanda Evans were discussed throughout the public process, staff reports, and studies. 71

The County explains that attached and internal ADUs can be rented without restriction, as can primary residences with an associated detached ADU. The County states that its only prohibition on the rental of detached ADUs is the rental of a detached ADU for less than 30 days without the rental of the primary residence. The County says its reason for this rental limitation is short-term rentals of detached ADUs would move away from the County's concept that detached ADUs are part of the primary residence. The County argues that this provision is necessary to curtail "development abuse" so that property owners cannot construct detached ADUs as separate structures to create free standing rental units. 72 At argument, Friends contended that this regulation was also instituted to preserve detached ADUs for permanent residents of the islands, who have in the past been evicted from such units during the tourist season, when higher rents could be charged to tourists who are visiting the islands on a short-term basis.

Board Discussion

Background and Applicable Laws

Petitioners challenge the compliance of the Ordinance with RCW 36.70A.011; Goal 4 (affordable housing) (RCW 36.70A.020(4); Goal 5 (economic development), (RCW 36.70A.020(5)); RCW 36.70A.400 (which requires compliance with RCW 43.63A.215(3)); and RCW 36.70A.540.

70 San Juan county's Prehearing Brief at 11

Ibid at 21.

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Phone: 360-725-3870 Fax: 360-664-8975

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San Juan County's Prehearing Brief at 11 and 12. COMPLIANCE ORDER AND FINAL DECISION AND ORDER Case Nos. 03-2-0003c; 06-2-0024c February 12, 2007 Page 32 of 76

The Housing Element of the comprehensive plan must address the need for housing at various income levels but it was not amended with the adoption of Ordinance 7-2006 and therefore there can be no challenge to it in this case.

RCW 36.70A.540 authorizes a local jurisdiction to create an optional "affordable housing incentive program":

Any city or county planning under RCW 36.70A.040may enact or expand affordable housing incentive programs providing for the development of low-income housing units through development regulations.

RCW 36.70A.540.

However, there is no evidence that San Juan County has elected to create such a program and therefore this provision does not apply here.

RCW 36.70A.011 does not create any requirements for counties but provides guidance for developing their rural elements. San Juan County has a compliant Rural Element and it is not the subject of this challenge. Therefore, Petitioner Wanda Evans' challenge that rental limitations on detached ADUs cannot be inconsistent with this statute.

The three challenges related to affordable housing properly before the Board, therefore, are the challenge to compliance with Goal 4, Goal 5 and RCW 36.70A.400. We will discuss them in reverse order.

Through RCW 36.70A.400, the County has an obligation to comply with RCW 43.63A.215(3). It provides:

Unless provided otherwise by the legislature, by December 31, 1994, local governments shall incorporate in their development regulations, zoning regulations or official controls the recommendations contained in subsection (1) of this section. The accessory apartment provisions shall be part of the local government's development regulations, zoning regulation, or official control. To allow local flexibility, the recommendations shall be subject to such regulations, conditions, procedures, and limitations as determined by the local legislative authority.

The recommendations referred to in subsection (1) of RCW 43.63A.215 are those developed by the Department of Community, Trade and Economic Development (CTED):

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...designed to encourage the development and placement of accessory apartments in areas zoned for single-family residential use.

RCW 43.63A.215(1)(b) (in pertinent part).

No Petitioner cites to any portion of the CTED recommendations that the County is alleged to have violated. The Board cannot consider an argument that has not actually been made Further, RCW 43.63A.215(3) expressly provides that the County may place conditions, procedures and limitations upon accessory dwelling units to allow "local flexibility". No evidence in the record is presented that the County's limitations on attaching ADUs to accessory buildings or limiting detached ADUs in rural and resource lands nor limiting building permits to 12 percent of the annual residential permits in rural and resource lands show that the County's new ADU regulations exceed the scope of such local flexibility. The Board finds that no violation of RCW 43.63A.215(3) and RCW 36.70A.400 has been shown.

Mr. Evans challenges compliance with Goal 5. Goal 5 of the GMA encourages economic development:

Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.

Many factors are needed for successful economic development and the County allows various kinds of ADUs as source of some of its affordable housing. Therefore, the likelihood of the limitations on County's ADU regulations on detached ADUs in rural and resource lands impeding economic development are small and do not cause these regulations to be inconsistent with RCW 36.70A.020 (5), the Economic Development Goal of the GMA.

Finally, there are two sets of challenges to compliance with Goal 4. On the one hand, Mr. Evans, Ms. Evans and Mr. Gutschmidt argue that the restrictions placed on ADUs will restrict the supply of affordable housing. On the other hand, Mr. Ludwig argues that the provisions for new detached ADUs will simply increase the value of existing housing and drive up housing prices further.

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Goal 4 of the GMA seeks to:

Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

RCW 36.70A.020(4)

Absent an order of invalidity, now rescinded in this case, the burden of proof is upon Petitioners to show that Ordinance 7-2006 is not in compliance with the GMA.⁷³

Petitioners have not cited to any evidence that the County's ADU regulatory scheme will reduce the affordability of housing in San Juan County. Instead, Petitioner Ludwig refers us to the text "Land In America: Its Value, Use, and Control". However, that contains nothing relevant to the specifics of ADUs in San Juan County, but instead reaches the not surprising conclusion that rezoning property can increase its value.

Nor is it sufficient to allege that we can take official notice of notorious facts pursuant to WAC 242-02-670 (2) to conclude that Ordinance 7-2006's rather modest allowance of ADU's will "result in all land in SJC becoming 50-75 percent more expensive." Such a conclusion is well outside those facts "so generally and widely known to all well-informed persons as not to be subject to reasonable dispute or specific facts which are capable of immediate and accurate demonstration by resort to accessible sources of generally accepted authority". The provided that the subject to reasonable dispute or specific facts which are capable of immediate and accurate demonstration by resort to accessible sources of generally accepted authority".

Encouraging affordable housing is one of the thorniest problems facing local jurisdictions today. The factors affecting the cost of housing are numerous and there is no certainty that any one policy choice will result in more market-based affordable housing. For example, there is nothing to assure that developers will not respond to market forces by providing high-end housing for which there is substantial demand, whether on five acre rural lots or on high-density urban lots.

Here, the County has studied the situation in which it finds itself and determined that ADUs can be a source of more affordable housing. In 2002, only 3 percent of residentially developed parcels rented

⁷⁴ Petitioner Ludwig's Prehearing Brief at 5.

⁷⁵ WAC 242-02-670(2).

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⁷³ RCW 36.70A.320

ADUs on a long-term basis.⁷⁶ The Housing Element of the comprehensive plan estimates that over time ADUs will provide about 20 percent of the County's low and moderate income population affordable housing.⁷⁷ The Housing Element does not distinguish how many of these affordable ADUs will be internal, detached, or detached. The County allows unlimited numbers of ADUs in Activity Centers (LAMIRDs) and urban growth areas; unlimited numbers of internal and attached ADUs in rural and resource areas; and, with the adoption of Ordinance 7-2006, a limited number of detached ADUs in rural and resource lands. The County's development regulations clearly utilize ADUs as a potential source of affordable housing.

Moreover, Goals 4 and 5 do not apply in isolation. The County also has an obligation to harmonize the GMA's Housing Goal and Economic Development Goal with the Sprawl Prevention and Natural Resource Industry Goals of the GMA. While Ordinance 21-2002, allowed for unlimited detached ADUs with fewer restrictions, the Board found this ordinance noncompliant and invalid because it did not comply and substantially interfered with GMA's goals and requirements for preventing sprawl (Goal 2) and conserving natural resource industries (Goal 8). Ordinance 7-2006 addresses these concerns and balances all four goals.

Conclusion: Based on the foregoing, we find that the limitations placed on detached ADUs in rural and resource lands adopted by Ordinance 7-2006 are within the County's discretion pursuant to RCW 43.63A.215. We also find that the County's balancing of Goals 4 and 5 with other goals and requirements of the GMA fits within the parameters set by the GMA. The Board further finds that Ordinance 7-2006 is not inconsistent with RCW 36.70A.020(4), RCW 36.70A.020(5), RCW 36.70A.400, RCW 43.63A.215, RCW 36.70A.011 and RCW 36.70A. 540.

D. Permitting

Issue 7: Does Ordinance 7-2006, Section 18.40.240 G(1)(b) and Sections 1, 3, 5 fail to further the goal of having applications for permits processed in a timely and fair manner to ensure predictability in violation of RCW 36.70A.020(7)? (Gutschmidt, 06-20, Manning et al., 06-15c)

⁷⁶Gutschmidt, Exhibit 4, San Juan County Accessory Dwelling Units Analysis, Final Report at 20. ⁷⁷ Comprehensive Plan's Housing Element at 5.

Positions of the Parties

Petitioner Gutschmidt argues that the restrictions on detached ADUs imposed by Ordinance 7-2006 that include compelling the use of the same driveway and utilities, the 12 percent annual limitation on the number of ADUs outside of urban growth areas, avoiding or minimizing intrusion in sensitive open space areas, requiring one equivalent residential unit (ERU) for a detached ADU limit the development of ADUs and adds to the expense of their development. These costly expenses and limitations, he argues, reduce opportunities for affordable housing and make the permit process time consuming, unpredictable and unfair. ⁷⁸

The County maintains that Ordinance 7-2006 does not interfere with the fair and timely processing of permits. The County says it requires a new type of "ADU permit" and a site plan so that the Administrator can determine if the applicant can meet the requirements for detached ADUs. The County maintains that issuing permits on a "first come, first served" basis is a universally accepted method of allocating a limited supply, certainly fairer than skill or chance, and another method has not been proposed. The County points out that it has provided written procedures for applications for ADU permits, allowance for telephone reservations, and ministerial review to ensure fairness and efficiency in the permit process. Additionally, the County states that it does not require engineering drawings for showing the location of detached ADUs avoidance of sensitive open space features, but simply requires a site plan so the County can evaluate this requirement. Finally, the County contends that the requirement for additional ADU of water is within the discretion of the County Council and consistent with state law.

Board Discussion

Petitioner Gutschmidt also contends that many of the same provisions that make detached ADUs unaffordable also make the permitting process unpredictable and unfair. Petitioner Gutschmidt does not give evidence to support his claim that these requirements are inequitable, nor do we find that requiring an application for the limited number of detached ADUs permits available in a calendar year gives an advantage to any applicant. The County has taken steps to make the permit process

⁷⁸ Brief (November 14, 2006) at 1-3.

9 Ibid at 12 and 13. COMPLIANCE ORDER AND FINAL DECISION AND ORDER Case Nos. 03-2-0003c; 06-2-0024c February 12, 2007 Page 37 of 76

more efficient and equitable by promptly publishing guidelines on how to apply for an ADU permit and for allowing for telephone reservations for ADUs to help make the permit system more accessible for those who must travel long distances to the permit office and nonresident applicants.

Our examination of SJCC 18.40. 240 (G)(3) shows that the code provides criteria to use when issuing a building permit, which are issued on a case by case basis. ADUs on lands with critical areas also would have to meet San Juan County's critical area protection measures, Further, our examination of this code provision with regard to local conditions shows that the County is harmonizing its obligations for predictable and efficient permitting with its obligation to protect its rural character, defined in the San Juan County Code as "a quality of landscape dominated by pastoral, agricultural, forested and natural areas interspersed with single-family homes and farm structures".

Conclusion: Based on the foregoing, that Ordinance 7-2006, Section 18.40.240 G(1)(b) and Sections 1, 3,5 comply with RCW 36.70A.020 (7).

E. Citizen Participation and Coordination

1. Public Process Challenges

Issue 9: Did San Juan County violate the public participation requirements of RCW 36.70A.130 and RCW 36.70A.140 by entering into the non-public development of a 'Settlement Agreement" with the Friends of San Juans, and then enacting the substance of that Agreement against the advice from the Planning Commission and the Prosecuting Attorney, and without considering the potential improvements to the settlement draft that were offered by Petitioners and other public participants? (Baldwin et al, 06-16, Wiese 06-19)

Issue 10: Did the County's actions in adopting Ordinance 7-2006 violate RCW 36.70A. 035(2)(a)(ii)? (John Evans, 06-18, Wanda Evans, 06-17, Wiese 06-19)

Issue 13: Did the County fail to use good faith to ensure public participation and consider public input in developing Ordinance 7-2006 in violation of RCW 36.70A.020(11) and RCW 36.70A.140? (Gutschmidt, 06-20)

We discuss these issues together.

80 Exhibit 24.

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Positions of the Parties

Petitioners' Positions

Petitioners Marshall, Baldwin and Ziegler in their Reply Brief abandoned the argument put forth in their opening brief that asked the Board to apply the procedural requirements in *Smith v. Skagit County*⁸¹ to encourage greater concern for the appearance of fairness in public hearings. They acknowledge Friends' response that the appearance of fairness doctrine as codified in RCW 43.36.010 does not apply to legislative decisions on comprehensive plan and development regulations. ⁸² Even so, these Petitioners argue that the GMA demands a meaningful and fair public process. They contend that the San Juan County Council did not have an open mind when considering amendments to comply with the Board decisions after the County Council had entered into a settlement agreement with Friends. Also, these Petitioners say that ignoring the advice of the County Prosecutor, as well as the Planning Commission show that County Council was not open to public comments. ⁸³ They assert that allowing two minutes per participant did not allow for meaningful public discussion and that the County Council members appeared to have their minds made up. ⁸⁴

Petitioner Wanda Evans' statement for Issue 10 appears to address a failure of the County to discuss Friends' proposal with the Planning Commission before presenting it to the public.⁸⁵ However, her argument does not address how this violated RCW 36.70A.035(2)(a)(ii) as alleged.

Petitioner Gutschmidt contends that Ordinance 7-2006 was a result of "back door" negotiations with Friends and the County Council did not act in good faith when it ignored the public outcry over the far reaching land use restrictions and the negative effect these restrictions would have on rural lifestyles, encouraging economic prosperity, and opportunities for small scale, rural based employment. ⁸⁶

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⁸¹ Smith v.Skagit County, 75 Wn.2a.715(1969)

⁸² Petitioner' Reply to Intervenor's Response Brief at 1 -2

⁸³ Ibid at 3

⁸⁴ Prehearing Brief of Baldwin, Marshall, and Ziegler at 4.

⁸⁵ Petitioner's Prehearing Brief at 2.

⁸⁶ Brief at 5.

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Petitioner John Evans did not brief the issue that he raised in Issue 10.

County's and Friends' Position

The County and Friends argue that the circumstances surrounding the adoption of Ordinance 7-2006 is similar to the situation discussed in the August 8, 1998 Final Decision and Order in City of SeaTac v. City of Burien, CPSGMHB Case No. 98-2-0010 (Burien). There, appellants argued that the City of SeaTac adopted comprehensive plan and zoning ordinance amendments in conjunction with an interlocal agreement between the City of SeaTac and the Port of Seattle for expansion of the airport. Friends points out that the Court of Appeals, Division 2, upheld the City and found the amendments were influenced by, but were not the result of, a settlement. 87

The County and Friends acknowledge that County met with Friends to receive recommendations that the County agreed to review, but declare there was no formal agreement on the recommendations. 88 The County asserts that meeting with litigants does not violate the public participation requirements of the GMA. Friends insists that the settlement discussions were not a "done deal" and point out that the County adopted Ordinance 7-2006 after following a public participation plan that included three public workshops and hearings before the Planning Commission and the County Council. 89 Friends states that it submitted comments during this public process, just as every other participant. Both the County and Friends maintain that the amendments changed various times in response to public comments, and were adopted after extensive public participation. 90

Friends interprets Wanda Evans' issue as a challenge to the County Council considering a proposed amendment to ADU ordinance that were different from Planning Commission's without having the Planning Commission consider it again. 91 At argument, Friends maintained that the amendments that the County Council made were among the alternatives considered by the Planning Commission before it made its recommendation to the County Council. Therefore, Friends asserts the County

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⁸⁸ Ibid at 4 and San Juan County's Prehearing Brief at 14.

⁸⁹ Response Brief of Intervenor Friends of San Juans at 4.

⁹⁰ Ibid at 6 and San Juan County's Prehearing Brief at 14. Response Brief of Intervenor Friends of San Juans at 6-7. COMPLIANCE ORDER AND FINAL DECISION AND ORDER Case Nos. 03-2-0003c; 06-2-0024c

was not even obligated by RCW 36.70A.035(2)(ii) to hold the June 6, 2006 hearing, let alone to refer the amendments back to Planning Commission before considering them.

Board Discussion

The public oarticipation requirements for cities and counties planning pursuant to RCW 36.70A.040 are contained in RCW 36.70A.130(2)(a) . That subsection requires that counties and cities establish public participation program for annual amendments to comprehensive plans and periodic review of comprehensive plans. This subsection does not apply to actions taken to resolve an appeal brought to the growth hearings boards. RCW 36.70A.130(2)(b) provides an exception to the regular public participation program under those circumstances, so long as there is "appropriate public participation". Petitioners argue that many of the amendments the County made to its ADU regulations should have been considered as annual amendments; we discuss that challenge under Procedural Issues. However, we consider whether there was "appropriate public participation" here.

The provision of the GMA that does apply to Petitioners' public participation challenge is RCW 36.70A.140, which requires counties and cities "to establish and broadly disseminate to the public a public participation program for early and continuous public participation in the development of comprehensive plans and development regulations". This provision also delineates what types of measures the public participation program needs to include. In cases where a jurisdiction is acting in response to a remand from the Board, this provision states that the County "shall provide for public participation appropriate and effective under the circumstances presented by the board's order". San Juan County has outlined its public participation program in its comprehensive plan. 92 Moreover, the County adopted a public participation program specifically for consideration of the amendments to its ADU regulations. This program included workshops, hearings before the planning commission, and opportunities for written comment.

Friends' Involvement in the Public Process

92 San Juan County Comprehensive Plan, Section D, Administration, at 6.

93 Record at 00268 – 000272. COMPLIANCE ORDER AND FINAL DECISION AND ORDER Case Nos. 03-2-0003c; 06-2-0024c

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Evidence in the record shows that Friends communicated with the County Commissioners and made recommendations for amendments to the ADU Ordinance before the County proposed recommendations to its ADU regulations. We agree with the County and Friends that meeting with challengers to settle a GMA dispute is not a violation of the GMA. In fact, the Board is authorized to extend its deadline for issuing a decision for specifically this purpose (RCW 36.70A.300(2)(b)), and has done so several times in this case.

The record shows that there was full public participation here and that it was not an abbreviated process. The Commissioners sent the Planning Commission a September 1, 2005 draft version of amendments that allowed for a limited number of detached ADUs subject to restrictions. This draft was the subject of several workshops, as well as hearings before the Planning Commission and June 6, 2006 County Council public hearing. ⁹⁴ During this time the amendments changed several times. The Planning Commission rejected the September 1, 2005 draft and recommended that detached ADUs be allowed only if the lot contained the underlying density for a second dwelling unit. The letters in the record from Friends indicate that it supported the September 1, 2005 draft recommended amendments and gave qualified support to the County Council's proposed amendments with suggested changes to the Planning Commission's recommendations, which became the subject of the County Council June 6, 2006 public hearing. ⁹⁵ However, Friends also supported the Planning Commission's recommendations. ⁹⁶ The evidence shows nothing more than that Friends participated in the public process to ensure their views were heard.

Enactment Against the Advice of the Planning Commission and Prosecuting Attorney

In regard to the claim that the County Council did not follow the advice of the County Prosecutor or the Planning Commission, public participation does not dictate a particular outcome or that the County Commissioners must accept the views of staff. As we said in an earlier decision:

The mere fact that the BOCC reached a different decision that one recommended by staff, the planning commission, and the citizens advisory committee did not ipso facto show a violation of public participation. ⁹⁷

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P.O. Box 40953

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⁹⁴ Record at 00312, 000349, 000351, 000497, 0000664, Legal Advertisement for the June 6,, 2006 public hearing

⁵ Record 000383 -000388 and 00082

⁹⁶ Record at 000820

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Violation of Public Process Requirements of RCW 36.70A.035

Petitioner Wanda Evans' challenge to the County's adherence to the public participation requirements of RCW 36.70A and the timing of the Planning Commission's involvement is not supported by evidence, citation to authority or by argument. While she alleges that Ordinance 7-2006 "did not come before the public through the proper process" ⁹⁸ she does not identify any particular deficiency in that process. If her argument is that the County Council was required to send its draft amendments back to the Planning Commission for additional review, this is not what RCW 36.7A.035(2) requires. The statute provides only that if the legislative body chooses to consider a change that is proposed after the opportunity for review and comment has passed, then an opportunity for review and comment on the change shall be provided before the body votes. Here, it is clear that the changes made by County Council were before the public from the onset of the process. ⁹⁹ The Council did hold a public hearing on its changes. ¹⁰⁰

Predetermination of the Issues

In regard to Petitioners Marshall, Baldwin, and Ziegler's allegation that the County Council had made up its mind and added requirements without discussing them with the public at the hearing, the GMA does not require the County to demonstrate how the County Commissioners were thinking. We have said:

However, the GMA does not give the boards authority to probe the internal thought processes of a local decision-maker. It is not the task of the Board to judge how open a legislative body or individual member of that body is to an advisory committee's or a staff member's recommendation. The Board has the authority to decide whether the County follows their established public process, whether their decision is within the alternatives considered by the public, and whether their decision is consistent with the GMA. ... ¹⁰¹ Thus, we will review the process by which an ordinance is adopted, as well as the ordinance itself,

for consistency with the GMA, but we will not second guess the motivations of the legislative body.

⁹⁸ Petitioner W. Evans Brief at 2.

⁹⁹ 0000312, 000349, 000351, 000497.

^{100 000664,} Legal advertisement for the June 6, 2006 public hearing.

¹⁰¹ *Diehl v. Mason County*, WWGMHB Case No. 95-2-0023 (Order Denying Petitioner's Request to Supplement the Record, April 2, 2003)-

Unless Petitioners can demonstrate that the process or product are in in violation of the GMA, our inquiry ends.

Adequate Opportunity to Testify

At argument, the County responded to Petitioners' assertion that two minutes per participant did not provide enough time for meaningful public comment at the June 6, 2006 public hearing. The County pointed out that after the initial public comment period was finished, participants were invited to add comments. The County also invited written comments ¹⁰². Additionally, staff reports and the Planning Commission findings indicate extensive public participation throughout the entire public participation process on the alternative that was eventually adopted. ¹⁰³ We find that, in light of the entire record, and the fact that the County also allowed written comments in conjunction with the June 6, 2006 public hearing, the County's limitation on the length of testimony did not violate RCW 36.70A.140. See *Achen v. Clark County*, WWGMHB Case No. 95-2-0067 (Final Decision and Order, September 20, 1995)

Adequate Consideration of Public Comments

Finally, as to Petitioner Gutschmidt's charge that the County Council ignored residents' views on the limitations on the location and size of parcel and the dwelling unit requirements for detached ADUs, the GMA does not require the legislative body to agree with those who testify. This Board's previous ruling applies here:

The GMA requires that a public participation process be provided, but does not require the decision-maker to agree with the positions urged by its citizens. ¹⁰⁴

Conclusion: Based on the foregoing, Petitioners have not carried their burden of proof that the County's public participation process was clearly erroneous and in violation of RCW 36.70A.140, RCW 36.70A.130, RCW 36.70A. 035, or RCW 36.70A.020(11).

2. Notice Challenges

¹⁰² Record at 00064, Legal Advertisement for June 6, 2006 Public Hearing

¹⁰³ Record at 000495 and 000579

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Olympia, Washington 98504-0953 Phone: 360-725-3870 Fax: 360-664-8975

Wells v. Whatcom County, WWGMHB Case No. 97-2-0030(Final Decision and Order, January 15. 1998).
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Issue 11: Did the Ordinance 7-2006 violate RCW 36.70A. 035(1) (c) by not notifying Class A and Class B water systems of the legislation affecting private water systems established by Ordinance 7-2006? (Wanda Evans, 06-17)

Petitioner's Position

Petitioner Evans argues that the more than 300 private Class A and Class B water systems were not notified of the provision in the Ordinance 7-2006 that would affect their plans, policies and bylaws and this lack of notice violates RCW 36.70A.035(1)(c). ¹⁰⁵

County's Position

The County replies that the amendment that requires one ERU of water for a detached ADU did not affect water plans, their policies or bylaws, and only impacts persons who want to apply for an ADU permit, a generalized group. The County says that this change does not affect whether the water system has enough water to provide an ERU, but sets the requirement that a detached ADU needs one ERU of water. The County points out that notifying public or private groups is only one possible notification method recommended by RCW 36.70A.035(1) and that is not required by the GMA. For these reasons, the County maintains that newspaper notification was adequate notice for water system members.¹⁰⁶

Board Discussion

RCW 36.70A.035(c) lists as an example of reasonable notice methods the notification of public or private groups with a known interest in a certain proposal or the type of proposal being considered. RCW 36.70A.035(1) does not require that every example be utilized in the County's notice methods. Also see WAC 365-195-600(2) and (2)(v). The County established a specific publication participation process for consideration of its ADU amendments that included a provision for public notice. The method of public notice that the County chose was notification by newspaper. ¹⁰⁷ Specific notification to water systems users or Board members was not required.

Conclusion: The County's provided notification by newspaper of its workshops and public hearings as specified in its public participation process for considering its ADU amendments. The GMA does

¹⁰⁷ Record at 000271

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¹⁰⁵ Petitioner's Prehearing Brief at 2

¹⁰⁶ San Juan County's Prehearing Brief at 18-19

not require specific notice to private water systems, in this circumstance. The County's method of public notification for consideration of its ADU amendments complies is with RCW 36.70A.035 (1).

Issue 12: Did Ordinance 07-2006 violate the San Juan County Code, by inserting "Lot Coverage" legislation in an ordinance that is advertised as an Accessory Dwelling Unit Ordinance without proper public process and without using the annual docket process? (Wanda Evans, 06-17)

Without Petitioner specifying what part of the County's code or specific statute is alleged to have been violated, the Board can not decide this issue.

Conclusion: Petitioner has not carried her burden of proof in demonstrating that the County's inclusion of lot coverage provisions in Ordinance 7-2006 was a clearly erroneous violation of the GMA.

F. PROCEDURAL ISSUES

Issue 20: Does Ordinance 7-2006 impermissibly address issues which were adequately addressed in the prior code provisions, and were not part of the Board's earlier finding of noncompliance and invalidity in violation of RCW 36.70A.130 (1), (2)(a)(b) and (7)? (Baldwin et al. 06-16)

Issue 22: Did the County violate RCW 36.70A.305, RCW 36.70A.330, and RCW 36.70A.140 by going well beyond the issues of noncompliance? (John Evans, 06-18)

We will discuss these two issues together.

Positions of the Parties

Petitioners' Positions

Petitioners declare that, except for regulations for detached ADUs, the County's ADU regulations have withstood compliance challenges. In spite of that, Petitioners Marshall, Baldwin, and Ziegler assert that the County Council impermissibly revised or added to compliant sections of the ADU regulations for parking, locating detached ADUs to avoid sensitive areas such as orchards, meadows, pastures ridgelines and critical distance from the main building, and providing of water supply. These Petitioners contend that these regulations create odd policy implications because

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¹⁰⁸ Prehearing Brief of Baldwin, Marshall, and Ziegler at 10. COMPLIANCE ORDER AND FINAL DECISION AND ORDER Case Nos. 03-2-0003c; 06-2-0024c February 12, 2007

the revised regulations apply to all ADUs in all zones, even urban zones. Petitioners say that there is no apparent reason for the County to establish different restrictions that do not apply to similar housing such as duplexes.¹⁰⁹

These Petitioners state RCW 36.70A.130(2) requires that updates, proposed revisions, and amendments to comprehensive plans and development regulations should be considered no more frequently than once per year so that the cumulative effect of proposals can ascertained. Petitioners point out the Prosecuting Attorney advised the Council and the Planning Commission that the changes to ADU regulations could not go beyond the order of invalidity and were subject to the annual amendment process. Petitioners affirm that the Planning Commission followed the Prosecutor's advice, but the County Council did not.¹¹⁰

Petitioners also argue that this Board has previously ruled in it November 30, 2000 Order on Rescission of Invalidity and Compliance/Invalidity in *Town of Friday Harbor v. San Juan County,* WWGHMB Case No 99-2-0010c (*Friday Harbor*) that, in a similar situation, the County could not go beyond the issue on remand in its compliance proceedings.¹¹¹

Petitioner John Evans argues the same issues raised by Petitioners Baldwin, Marshall, and Ziegler and also contends that shoreline issues are changes that are not within the scope of the remand. He says that RCW 36.70A.140 directs that a more limited process be followed to address remand orders. He contends that a response to a Growth Board order is not license for the County to make wholesale amendments beyond the scope of the Growth Board's order. He asserts that RCW 36.70A.330 and RCW 36.70A.305 describes an abbreviated and limited process, which the County exceeded here.

County and Friends' Positions

The County and Friends respond that many of the requirements that the Petitioners allege were changed, including parking rules, requirements to locate detached ADUs to avoid or minimize

¹⁰⁹ Ibid at 10.

¹¹⁰ Ibid at 11.

¹¹¹ Ibid at 9.

Petitioner's Prehearing Brief at 1 and 2.
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intrusion on sensitive areas, and ownership requirements, actually did not change. 113 Friends points out that these conditions also applied in both urban and rural areas under Ordinance 21-2002. 114 Both the County and Friends emphasize that the new conditions only apply to detached ADUs. Friends acknowledges that the requirement to locate the detached ADUs within a certain distance from the principal residence is new, and applies in both urban and rural areas, but argues that this requirement would have little impact in an urban area, and does not rise to the clearly erroneous standard. 115 Friends maintains that the limitations are necessary to prevent the significant potential for abuse caused by the County's original policy of allowing freestanding ADUs on all lots within rural and resource lands without taking them into account when calculating residential densities. 116

Friends disputes the applicability of Friday Harbor v. San Juan County. 117

Board Discussion

We dispose of Mr. Evans assertion that exceeding the scope of the remand order violated with RCW 36.70A.305. RCW 36.70A.305 applies to judicial review of invalidity orders issued by growth boards and does not apply here.

Petitioners also contend that the limitations on detached ADUs went beyond the scope of the compliance order, which does not comply with RCW 36.70A.130 (1), (2)(a)(b) and (7), RCW 36.70A.140, and RCW 36.70A. 330. RCW 36.70A.130 states that comprehensive plans and development regulations shall be subject to periodic review and evaluation by the county or city that adopted them. RCW 36.70A.130 sets out the requirements for both annual amendments to the comprehensive plan as well as the periodic review required every several years for cities and counties on a schedule established in RCW 36.70A.130 (4). RCW 36.70A.130 (2)(a) specifies the requirements for public participation for annual comprehensive plan updates and for periodic view. RCW 36.70A.140 requires the counties and cities to develop and publish a public participation program that provides for early and continuous public participation and to broadly disseminate that

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¹¹³ San Juan County's Prehearing Brief at 20, Intervenor Friends of San Juans' Response to Prehearing Brief of Baldwin, Marshall, and Ziegler at 4 and 5.

¹¹⁴ Intervenor Friends of San Juans' Response to Prehearing Brief of Baldwin, Marshall and Ziegler at 4 and 5. ¹¹⁵ Ibid at 5.

¹¹⁷ Intervenor Friends of San Juans' Response to Prehearing Brief of Baldwin, Marshall, and Ziegler at 5. COMPLIANCE ORDER AND FINAL DECISION AND ORDER Western Washington Case Nos. 03-2-0003c; 06-2-0024c

¹¹⁶ Response Brief of Friends of San Juans at 2.

program to the public. RCW 36.70A.140 also allows a County subject to an order of invalidity to modify its public participation program to fit the circumstances presented by the Board's order. RCW 36.70A.330 requires cities and counties subject to a remand order achieve compliance at time set for complying in the Board's remand order. At issue here is whether the County went beyond the scope of the Board's order and added regulations that should have been addressed in the County's annual amendment process pursuant to RCW 36.70A.130(2)(b).

From our comparison of Ordinance 7-2006 and Ordinance 21-2002, the Board concludes that the provisions that Petitioners denote as being new, including requirements for parking, locating or minimizing the intrusion of ADUs on sensitive areas, and ownership requirements were substantially present in Ordinance 21-2002. 118

The County and Friends point out that the rest of the changes only pertain to detached ADUs. The Board finds that the limitations on location and services to new detached ADUs are important to the Board's determination that Ordinance 7-2006 does not alter the existing, compliant scheme of rural densities. Similarly, the County's concern as stated in its brief that detached ADUs would more likely use more water than attached or internal ADUs is a legitimate concern to address in light of San Juan County's water sources. ¹¹⁹

As for the Petitioners' argument that applying the same restrictions to detached ADUs in urban areas as to ADUs in rural and resource lands is beyond the scope of this order, the Board finds that the subject of the Board's remand order is detached ADUs. How the County chooses to reach compliance on that subject is not limited by the Board's analysis, but is within the County's discretion so long as it falls within the parameters set by the GMA. ¹²⁰

¹¹⁸ Ordinance 21-2002 at SJCC 18.40.240(B), 18.40.240 (D)(1-4), and 18.40.240 E vs. Ordinance 7-2006 18.40.240(F)(2), 18.20.240(4), and 18.40.240 (G)(3).

¹¹⁹ San Juan County Comprehensive Plan at 4.1.

¹²⁰Further, the Board reminds Petitioners that the County has very few urban designations. The Board also notes that the urban growth areas in the County's jurisdiction have yet to be found compliant. While it might make sense to have less restrictions in urban growth areas where urban growth is to be encouraged, these restrictions are within the County's discretion pursuant to RCW 43.63A.215.

Finally, we agree with Friends that *Friday Harbor* does not apply in this circumstance. Here the County is addressing how to make their regulations for detached ADUs compliant, the issue remanded in the Board's April 17, 2003 order, while in Friday Harbor, the County was working under a remand order that did not include noncompliant resources lands. In that instance, the County went beyond the scope of the compliance order when it re-designated 1000 acres of resource lands. 121

Conclusion: The Board finds that in light of the entire record the County did not go beyond the scope of the remand order and the amendments to the County's ADU regulations were not clearly erroneous violations of RCW 36.70A.130 (2)(b), RCW 36.70A. 330(1), or RCW 36.70A.140.

Issue 21: Did the failure of Ordinance 7-2006 to set forth the goals and provisions of the GMA that were considered violate RCW 36.70A.130 and RCW 36.70A.140 by failing to afford the public an opportunity to comment at a public hearing on the rationale being considered? (Baldwin et al, 06-16)

Positions of the Parties

Petitioner's Position

The Petitioners Marshall, Baldwin, and Ziegler ask that the Board interpret the GMA's public participation provisions to clarify that the body of land use ordinances and public notices of city and county councils be required to contain the provisions of the GMA or the rationale that is being considered to provide for meaningful public comment. Petitioners contend that this is an implicit GMA requirement. 122

These Petitioners state the Planning Commission recommendation was substantially altered, even after there was much public testimony objecting to changing this recommendation. Petitioner Marshall attests that citizens had to testify on the final draft of the ordinance without knowing the rationale and that this hindered their testimony. 123 Petitioners argue that by taking action on these changes without explanation the County violated that portion of RCW 36.70A.130(1) that states (in part):

¹²³ Ibid at 15.

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¹²¹ Order on Rescission of Invalidity and Compliance/Invalidity in Town of Friday Harbor v. San Juan County, WWGHMB Case No 99-2-0010c at 10.

¹²² Prehearing Brief of Petitioners Baldwin, Marshall, and Ziegler

Legislative action means the adoption of a resolution or ordinance following notice and a public hearing indicating at a minimum, a finding that a review and evaluation has occurred and identifying the revisions made, or that a revision was not needed and the reasons therefor. 124

County and Friends' Position

The County maintains that it has complied with RCW 36.70A.140 requirements, although in the circumstance where a regulation has been remanded to the Board for compliance, strict adherence to its public participation program is not required. ¹²⁵ Friends adds almost the complete text for changes proposed by the County Council was included in the public notice for the June 6, 2006 public hearing. Other pertinent arguments are included in the County's and Friends' position statements under Public Process Challenges.

Board Discussion

In the Discussion Section of Issues 20 and 21, the Board explained that RCW 36.70A.130 sets out requirements for annual updates and periodic review and RCW 36.70A.140 establishes the public participation program requirement. Petitioners claim that the County Council did not comply RCW 36.70A.130 (1) by not providing a rationale for the changes it made to the Planning Commission's recommendations. Thus, they allege, they were denied the opportunity to provide meaningful public comment. However, nowhere does RCW 36.70A.130(1) require a local jurisdiction to explain the reasons for its amendments. While this a good practice and often appears in the "Whereas" sections of an ordinance, it is not required specifically by RCW 36.70A.130(1). That section applies to the periodic review requirement required by RCW 36.70A.130(1) rather than to comprehensive plan amendments generally. The "legislative action" referred to in RCW 36.70A.130(1)(b) that requires 'a finding that a review and evaluation has occurred and identifying the revisions made, or that a revision was not needed, and the reasons therefore" is a requirement that applies to periodic updates that counties and cities planning according RCW 36.70A.040 are required to undertake and complete according to the schedule set out RCW 36.70A.130(4). It does not apply to annual amendments and development regulations or to amendments made in response to a Board order. Therefore, Petitioners' challenge that the County's lack of explanation about reasons for their

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126 Response Brief of Friends of San Juans at 6. COMPLIANCE ORDER AND FINAL DECISION AND ORDER Case Nos. 03-2-0003c; 06-2-0024c

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¹²⁴ Ibid at 17.

¹²⁵ San Juan County's Prehearing Brief at 14.

changes to the Planning Commission's recommendations does not comply with RCW 36.70A.130(1) fails.

As for Petitioners argument that the County did not comply with RCW 36.70A.140, we found above the County's public process for adopting Ordinance 7-2006 complied with RCW 36.70A.140. We also note that the amendments that the County Council eventually adopted were among the range of alternatives that were before the public and discussed at workshops and in staff reports. ¹²⁷ These workshops were advertised. ¹²⁸ We find that adequate, if not ample, opportunity for public participation was provided. While RCW 36.70A.140 allows for an abbreviated process for compliance actions, the County's process was not abbreviated. The County published a public participation process and followed it for eight months.

The text of the ordinance that was adopted was similar to the September 1, 2005 version of the ordinance presented at workshops and at the Planning Commission hearing, as well as the version that accompanied the notice of the final public hearing. While we agree with the Petitioners that providing a rationale in public notices and in the body or recitals of land use ordinances adopted according to the GMA would be an useful addition to the public process for all the reasons given by the Petitioners, we can find no explicit or implicit requirement that this is required by the RCW 36.70A.140. The Board cannot prescribe a solution that might be better, but can only find compliance or noncompliance.

Conclusion: Petitioners have not carried their burden of proof that the County's failure to provide a rationale for the changes to the Planning Commission's recommendations either in the body of the Ordinance 7-2006 or in the public notice for the final public hearing on June 6, 2006 does not comply with RCW 36.70A.130(1)(b) or RCW 36.70A.140.

Issue 26: Did the County through the adoption of Ordinance 7-2006, Section 6, violate RCW 36.70A.370 and RCW 36.70A.140, by failing to show in the record why 12 percent was chosen as the number of detached accessory dwelling units allowed in a given year, why there are no detached

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¹²⁷ Record at 000262 at 3, 000311, 000349

¹²⁸ Record at 000270, 000271

¹²⁹ Record at 00064, Legal Advertisement for June 6, 2006 Public Hearing COMPLIANCE ORDER AND FINAL DECISION AND ORDER Case Nos. 03-2-0003c; 06-2-0024c

ADUs allowed on lots less than one acre, why there are no detached ADUs allowed on lots less than five acres in the shoreline, why there are limitations on proximity of ADUs to a principal residence, and why there is a prohibition of rentals of ADUs? (John Evans, 06-18)

Position of the Parties

Petitioner John Evans contends that the County has failed to demonstrate that the extent and nature of the regulations were necessary for compliance with the Growth Board order and the GMA. He maintains that a fundamental tenet of the GMA and its public participation program requirements is that local governments be able to "show their work"; he alleges that the County has failed to do that here.. Because regulations are actions taken by local government that limit existing rights of citizens from what they have previously been allowed, citizens have a right to expect that the government to show the reason behind new regulations. 130

The County responds that all the various issues that Petitioner Evans raises were addressed throughout the public process in staff reports, previous studies, and discussions. 131

Board Discussion

RCW 36.70A.370 requires the State Attorney General to establish a process to assist state agencies and local government in evaluating proposed regulations to assure that those actions do not result in a regulatory takings of public property. It does not require that the local jurisdiction give its reasons for every aspect of the regulations in the ordinance itself.

Petitioner Evans asserts that the County did not "show its work" and should have done so when it adopted restrictions on detached ADUs. In a similar situation, in Whatcom County, the Board held:

While it is true that the Act imposes on the County the obligation to "show its work" in some contexts, such as in the creation of its urban growth areas, the GMA does not require the County to demonstrate that it harmonized all of its planning documents when it undertakes an amendment of them. This does not mean that the County is free to enact legislation that is inconsistent with the requirements of the GMA and its own planning policies; it just means that the burden is on any petitioners to show that the inconsistency exists. 132

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¹³¹ San Juan's Prehearing Brief at 21

¹³² Cal Leenstra v. Whatcom County, WWGMHB Case No.03-2-0011 (Final Decision and Order, September 26, 2003) at 14 and 15.

The "show your work" requirement arises when the GMA expressly requires the local jurisdiction to undertake particular foundation analysis prior to adopting a regulation or policy. It arises in the context of the creation of UGA boundaries, for instance, so that a reviewing growth board can determine whether "areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period" forms the basis for those boundaries, as required by RCW 36.70A.110(2). Another example arises for limited areas of more intensive rural development (LAMIRDs) under RCW 36.70A.070(5)(d). Because the logical outer boundaries of such LAMIRDs must reflect, among other things, the state of development in those areas as of July 1, 1990, the counties must "show their work:" so that that assessment may be evaluated. The GMA does not impose a generalized requirement to explain the rationale for every comprehensive plan amendment, although the wise jurisdiction will often ensure that that is done to avoid unnecessary challenges.

As a matter of public participation as we discussed in the issue directly above, the record shows that these amendments were the subject of workshops and hearings and discussed with at those noticed meetings with the public. That is what RCW 36.70A.140 requires.

Conclusion: Petitioner has not carried his burden of proof pursuant to RCW 36.70A.320 (2) to demonstrate that County has not complied with RCW 36.70A.370 or RCW 36.70A.140 by failing "to show its work".

G. Shoreline Management Act

Issue 30: Did the passing of Ordinance 7-2006 violate the Shoreline Management Act, RCW 90.58.130 and RCW 36.70A.480(1) by amending the County's Shoreline Master Program without proper notification and adoption process? (Wanda Evans, 6-17, Manning et al., 06-15c)

Issue 31: Did the passing of Ordinance 7-2006, Section 18.40.240 G(4) (c) violate WAC 173-26-100 (1) and (2), RCW 90.58.090 because no notice was given that Ordinance 7-2006 amended Shoreline Density? (Wanda Evans, 06-17)

Position of the Parties

With regard to Issue 30, Petitioner Wanda Evans argues that San Juan County failed to provide the proper notice and review opportunity to the Department of Ecology as prescribed by the statute. As to Issue 31, she argues that the County expanded the adoption of new regulations and controls

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beyond what was necessary to respond to this Board's prior order, and that the proper public process was not followed. Petitioner does not provide detailed argument or cite to any prior court or Board opinions in support of her position.

The County replies that, because Ordinance 7-2006 adopts uniform rules for ADUs throughout the County, it was not necessary to follow the procedure for amendments to its Shoreline Master Program. The County argues that the parcel size limitation of 18.40.240 G(4) (c) pertains generally to the construction of detached ADUs; just as it is not necessary to amend the Shoreline Master Program SMP for a change to zoning in shoreline jurisdiction, it was not necessary when it adopted a generalized ADU siting ordinance.

Board Discussion

There is only one section of Ordinance 7-2006 that appears to have the potential to affect the establishment of ADUs in lands subject to the County's Shoreline Management Program. Section 18.40.240 G(4) (c) provides:

The minimum parcel size for the construction of a detached accessory dwelling unit is five acres for any parcel with waterfront. 10 acres for parcels located in the agricultural district, and 20 acres for parcels located in the forest district and one acre for all parcels located in a rural land use district. This restriction does not apply to parcels located in urban growth areas or activity centers. (emphasis added).

Aside from this provision affecting the placement of ADUs on parcels with waterfront, there is no reference or other connection between Ordinance 7-2006 and San Juan County's SMP. The relation of the County's ADU ordinance to the County's SMP exists solely in that Ordinance 7-2006 establishes a 5 acre minimum parcel size for the placement of lots that have waterfront, and that therefore are also regulated by the SMP.

This Board has previously held that "a change in zoning does not *de facto* amend the SMP." *Storedahl & Sons, v. Clark County*, WWGMHB 96-2-0016 (Order on Motion for Reconsideration, 9/15/97). In that case this Board noted that the Clark County Code provided that designated shoreline areas of the County are "to be combined with zoning that has been applied to such areas." Under the Clark County legislative scheme then under review, the designated shoreline areas and the SMP regulations, were subject to and independent of, the zoning districts established by Clark

County's GMA actions. A similar legislative scheme is in place in San Juan County. See, San Juan County Code (SJCC) 18.50.010 C¹³³.

SJCC section 18.50.020 A. provides in part: "If a conflict occurs between this chapter and other sections of this code, this chapter shall prevail." In addition, SJCC 18.50.010 C. 3. provides, in part, "Unless specifically provided otherwise, in the event that provisions of the Shoreline Master Program conflict with other applicable state or local policies or regulations, the SMA and Shoreline Master Program shall control. Where the Shoreline Master Program is more restrictive than other applicable state or local policies or regulations, the SMA and Shoreline Master Program shall control." Thus, whatever restrictions the SMP placed on ADU's prior to the adoption of Ordinance 7-2006 are still in place.

Conclusion: The County's adoption of Ordinance 7-2006 was not an amendment of the County SMP. Whatever regulations the SMP imposed on construction in shoreline jurisdiction prior to the adoption of Ordinance 7-2006 remain unaltered. We therefore conclude that the County was not required to comply with the notice and adoption procedures applicable to an amendment of its SMP.

H. State Environmental Policy Act (SEPA)

Issue 34: Did the County violate WAC 197-11-230 by conducting a SEPA process for the Ordinance that was reviewed by the Planning Commission, and by not conducting a new SEPA process for the new ordinance that was adopted by the County Council? (John Evans, 06-17, Wanda Evans, 06-18 John Evans)

Issue 36: Is the SEPA Threshold Determination of DNS noncompliant with RCW 43.21C and the SEPA Rules, Chapter 197-11-060, -080, and -330 WAC? (Ludwig, 06-24) Issue 37: Was the environmental evaluation and analysis required by the SEPA rules adequate and compliant with RCW 43.21C and Chapter 197-11 -030 and -031 WAC? (Ludwig, 06-24)

Positions of the Parties

Petitioners' Positions

Both Petitioners Wanda Evans and Stephen Ludwig argue that the County failed to conduct a proper SEPA process. Wanda Evans points out that the SEPA checklist was dated April 5, 2006, while the

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Chapter 18.50 of the San Juan County Code is the County's Shoreline Management Program.

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County Council did not propose the changes that it eventually adopted until April 25, 2006.¹³⁴ Petitioner Ludwig describes the regulations for which the checklist was prepared as regulations that prohibited detached ADUs in parcels of less than 10 acres citing answers to Questions one and two on the checklist. For these reasons, Petitioner Ludwig maintains that no threshold determination was made for the Ordinance that was eventually adopted as required by 43.21C.030(2)(c) –(e) and WAC 197-11-310 and -330. ¹³⁵

Petitioner Ludwig contends that not only was the process conducted improperly, but the DNS issued by the County was clearly erroneous. He says that the impacts from the amendments to the County's ADU regulations adopted by Ordinance 7-2006 are significant for the following reasons: (1) the amendments allow for a near doubling of the number of dwelling units in SJC, (2) the County has already experienced an increasing level of nitrates in groundwater caused from drain fields in several areas, (3) the County's own consultant has recommended that all of San Juan County be designated a critical aquifer recharge area, and (4) all the County's shorelines are critical fish and wildlife habitat areas. ¹³⁶

County's Position

The County replies that amendments to the County's ADU regulations adopted by Ordinance 7-2006 reduce the environmental impacts from those caused by the regulations adopted by Ordinance 21-2002. The County maintains that the threshold determination for Ordinance 21-2002 survived a previous challenge, where the potential impacts were thoroughly discussed. These documents were clearly referenced and incorporated in the April 5, 2006 Determination of Non-significance (DNS).¹³⁷

Board Discussion

The April 17, 2003 Final Decision and Order found that the DNS issued for Ordinance 21-2002 that incorporated the Final ADU report was not clearly erroneous. ¹³⁸ Both Petitioners Wanda Evans and Stephen Ludwig are correct in their assertion that the DNS was prepared for the planning commission's version of ADU amendments that did not allow for detached ADUs. Petitioners

¹³⁷ San Juan County's Prehearing Brief at 23 -24.

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¹³⁴ Petitioner's Prehearing Brief at 4.

¹³⁵ Petitioner's Prehearing Brief at 5-7.

¹³⁶ Ibid at 7

¹³⁸ Corrected Final Decision and Order at 34.
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contend that the County should have issued a new threshold determination when the County Council amended the Planning Commission's recommendation that allowed for no detached ADUs, eliminated many of the restrictions on placement of ADUs and changed the ERU requirement. WAC 197-11-600 (2)(b) says this about the County's obligation in this situation:

For DNSs and EISs, preparation of a new threshold determination or supplemental EIS is required if there are: i) Substantial changes to a proposal so that the proposal is likely to have significant adverse environmental impacts (or lack of significant adverse impacts, if a DS is being withdrawn); or (ii) New information indicating a proposal's probable significant adverse environmental impacts. (This includes discovery of misrepresentation or lack of material disclosure.) A new threshold determination or SEIS is not required if probable significant adverse environmental impacts are covered by the range of alternatives and impacts analyzed in the existing environmental documents.

WAC 197-11-600(2)(b)(emphasis added).

The April 5, 2006 DNS was accompanied by an environmental checklist clearly incorporates the environmental checklist that was issued for Ordinance 21-2002. RCW 43.21C.030 allows the incorporation of existing documents:

Lead agencies are authorized to use in whole or in part existing environmental documents for new project or nonproject actions, if the documents adequately address environmental considerations set forth in RCW 43.21C.030. The prior proposal or action and the new proposal or action need not be identical, but must have similar elements that provide a basis for comparing their environmental consequences such as timing, types of impacts, alternatives, or geography.

While the changes that allowed a limited number of detached ADUs would most likely have had more environmental impacts than the Planning Commission's version, the Council's changes would not have caused more environmental impacts than Ordinance 21-2002 which did not include any limitations on ADUs. Those impacts were analyzed and commented upon in the Final ADU Report that was incorporated into the DNS that was issued for Ordinance 21-2002. The April 17, 2003 Corrected Final Decision and Order found that the DNS issued for Ordinance 21-2002 that incorporated the Final ADU report was not clearly erroneous.

¹³⁹ Exhibit C, attached Ludwig Petitioner's Brief at 2.

¹⁴⁰ .Exhibit C, DNS (August 13,2002) attached to San Juan County, Motion to Rescind Invalidity and Find Compliance (Accessory Dwelling Units)(December 19, 2002)

Orrected Final Decision and Order at 34.

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Petitioner Ludwig argues that the impacts of the amendments made by Ordinance 7-2006 are significant. His argument that the amendments could cause doubling of density were arguments made by Petitioners in opposing Ordinance 21-2002 and were analyzed in the accompanying environmental documents to Ordinance 21-2002. The County has a compliant Fish and Wildlife Habitat Conservation Critical Area designations and compliant regulations to protect them. The rising level of nitrates from some drain fields and recommendations from a County consultant that all of San Juan County should be designated a CARA may be new information. However, Petitioner Ludwig does not present us sufficient information concerning these allegations to determine whether it pertains to the ADU regulation amendments nor does he provide any analysis of how the County's current regulations for CARAs are inadequate for protecting these critical areas from the limited number of ADUs that will result from the adoption of Ordinance 7-2006.

An analysis of SEPA compliance for GMA purposes is based upon the same "clearly erroneous" standard as established for compliance. ¹⁴³ Petitioners carry the burden of proof in showing that a mistake has been made in issuing the DNS.

Conclusion: Therefore, the Board finds that the County was not required to issue a new threshold determination pursuant WAC 197-11-600(2)(b) because the environmental impacts caused by the Council's changes were not more significant than similar impacts that were previously analyzed by the County for Ordinance 21-2002 and incorporated in the April 5, 2006 checklist.

Additionally, these previous environmental documents were challenged and found to be compliant by the April 17, 2003 Corrected Final Decision and Order. Our review of the environmental checklist issued for the April 5, 2006 DNS and Petitioner Ludwig's arguments does not convince us that a mistake was made in issuing the April 5, 2006 DNS. Petitioner has not sustained his burden of proof pursuant to RCW 36.70A.320(2).

I. Water Systems

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¹⁴² Friends of San Juans, Opposition to San Juan County's Motion to Rescind Invalidity and Find Compliance and Request for SEPA Review (January 1, 2003) at 9.

¹⁴³ Durland v. San Juan County, WWGMHB Case No. 99-2-0010c (May 2001).
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Issue 14: Does the requirement for one equivalent residential unit (ERU) of water for any detached ADU contained on Ordinance 7-2006, Section 9, mislead the public process and is it contrary to the County's stated goals, as stated in the Ordinance's recitals, in violation of RCW 36.70A.020 (4) and (7), RCW 36.70A.540, and RCW 36.70A.011? (Gutschmidt, 06-20)

Issue 39: Does the requirement contained in Ordinance 7-2006 for one additional Equivalent Residential Unit (ERU) of water for an detached ADU violate RCW 36.70A.130(1)(d), RCW 36.70A.070 and 36.70A.040(5) because it is inconsistent with the goals and policies of the Comprehensive Plan Section 4.2.B.1.6 and Development Regulations (UDC Section 18.60.020) contrary to state policy and water regulations that are regulated by WAC 246-290-100-4 and WAC 246-290-100-4(b)(i) and (ii)? (Nelson, 06-20, Wanda Evans, 06-17).

Positions of the Parties

Petitioner's Position

Petitioner Ralph Gutschmidt contends that requiring one ERU of water for a detached ADU is contrary to Ordinance 7-2006's stated goals, will eliminate ADUs by doubling the water requirement, and misleads the public into believing that these requirements will provide affordable housing for moderate income people. Petitioner Gutschmidt also claims that the County failed to consider property rights when it imposed doubling the water requirements for detached ADUs and imposed an impossible burden of proof on applicants that detached ADUs will not interfere sensitive areas and open spaces.

Petitioner Wanda Evans asserts that the County changed the "water buildout" within water systems' service areas without consideration of an individual water system's plan. This, she claims violates RCW 36.70A.130(1)(d).

County's Position

The County argues that no evidence in the record exists to support to Petitioner Gutschmidt's contention that requirement for one ERU for a detached ADU will eliminate a large number of affordable ADUs. Even if this new requirement makes one type of housing less affordable, the County maintains that it is up to the County to reconcile the GMA's affordable housing goal with other GMA goals. The County says that the requirement rose from the County Council's concern from the onset of the public participation process that a detached ADU would operate more like an independent living unit. The County says that RCW 19.27.097 gives it the responsibility to assure

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that adequate water is available for planned development uses and authorizes the Council's action to require one ERU of water for detached ADUs. 144

The County asserts that its comprehensive plan does not prohibit the County Council from taking this action, and this action does not interfere with WAC provisions governing private water systems. 145

Board Discussion

Even though both the Petitioner Gutschmidt and the County's argument on Issue 14 address the County's alleged violation of the property rights goal of the GMA, the issue statement does not allege a violation of the property rights goal (RCW 36.70A.020(6), but violations of RCW 36.70A.020(7) (Permitting) and the RCW 36.70A.020(4) (Housing). Because the issue statement does not allege violations of the property rights goal, the Board cannot address it. Pursuant to RCW 36.70A.290(1), the Board is limited to issues that were raised in the issue statement:

The Board shall not issue advisory opinions on issues not presented to it in the statement of issues, as modified by the prehearing order". The Presiding Officer issued a prehearing order to which Petitioners had seven days to respond. Several Petitioners, but not Mr. Gutschmidt, did respond with objections and their issues were amended. On September 18, 2006, the Presiding Officer entered an Amended Prehearing Order and it does not contain a claim that the requirements for an ERU for a detached ADO violates Goal 6 of the GMA (RCW 36.70A.020(6)). It is therefore not before the Board.

Petitioner Gutschmidt contends that the County has mislead the public because the County's restrictions on detached ADUS will not let the County realize some of the goals expressed in Ordinance 7-2006. Ordinance 7-2006 recites objectives of the legislation, including goals to provide rental income, to add affordable housing to existing housing, and to make housing available to moderate income people who are having trouble finding homes. Petitioner Gutschmidt says the

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¹⁴⁵ San Juan County's Prehearing Brief at 16 and 17. COMPLIANCE ORDER AND FINAL DECISION AND ORDER Case Nos. 03-2-0003c; 06-2-0024c

conflict between the stated goals in Ordinance 7-2006 and what it actually allows violates the housing and permitting GMA goals, as well RCW 36.70A. 011. 146

However, in these issues, Petitioners allege that violations of Goals 4 and 7 of the GMA arise from the imposition of a requirement for a full ERU of water availability to a permitted detached ADU. There is simply nothing before the Board to show that this requirement will have the impact of interfering with the County's efforts to promote affordable housing or to provide a timely, fair and predictable permitting process.

In Issue Statement 39 Petitioner Wanda Evans claims that requiring one ADU for water is not consistent with Comprehensive Plan Section 4.2.B.1.6 and UDC Section 18.60.020. This inconsistency in turn, she claims, does not comply with RCW 36.70A.130(4) which requires comprehensive plan and development regulation amendments to be consistent with the County's existing comprehensive plan and development regulations. ¹⁴⁷

The Board's examination of Comprehensive Plan Section 4.2.B.1.6 and UDC Section 18.60.020 finds that both this section of the Comprehensive Plan and the section of the Unified Development Code authorize the County to ensure that each development permit has adequate and available water and establishes methods for doing this. We find no inconsistency between the requirements of one ERU of water for a detached ADU and the cited comprehensive plan policy and development regulation. 148

Finally our examination of WAC 246-290-100-4 and WAC 246-290-100-4(b)(i) and (ii) confirm that these WACs set out the requirements for water system plan. They do not set the parameters for cities and counties to establish the adequacy of water for building permits. Additionally, determining compliance with these requirements of the WAC is not within the jurisdiction of a growth management hearings board. See RCW 36.70A.280.

Comprehensive Plan, Element 4, Water Resources at 2 and UDC Section 18.60.20(A) – (C) at 1 – 2.

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¹⁴⁶ Prehearing Brief at 5-7. Issue 14 alleges a violation of RCW 36.70A.570, but Petitioner's Brief does not offer any arguments on how Ordinance 7-2006 violates this statute.

Petitioner's Prehearing Brief at 4 and 5. Issue Statement 39 contains the allegation that the requirement for one ERU is not consistent with RCW 36.70A.070 and RCW 36.70A.040 (5), however Petitioner's Prehearing Brief does not address this violation.

Conclusion: Based on the foregoing, Petitioners have not carried their burden of proof that the amendment to require one ERU of water for an attached ADU violates RCW 36.70A.020(4) and (7), RCW 36.70A.570, RCW 36.70A. 011, RCW 36.70A.130(4), and RCW 36.70A. 070. The Board finds that it has no jurisdiction to determine compliance with WAC 246-290-100-4 and WAC 246-290-100-4(b)(i) and (ii) pursuant to RCW 36.70A.280(1).

J. Invalidity

Petitioner's Position

Petitioner Ludwig asks that the Board impose invalidity and request that the Governor impose sanctions because the County has disregarded the consequences of its noncompliance and has been out of compliance for at least seven years. ¹⁴⁹

Board Discussion

The only provision of the amendments established by Ordinance 7-2006 that the Board has found noncompliant is SJCC 18.40. 240(G) (4)[it is ALL of 18.40.240(G)(4)]. Prior to imposing a determination of invalidity, the Board must make a finding of noncompliance. RCW 36.70A.302(1)(a). Therefore, the only provision of Ordinance 7-2006 that is subject to an invalidity determination is SJCC 18.40. 240(G) (4).

The Board has held that it will impose invalidity when the continuance of the regulation would interfere with the County's ability to properly plan during the remand period. Here, the limited number of potential detached ADU permits that might be issued during the remand period makes it unlikely that continued validity of SJCC 18.40. 240(G) (4) will substantially interfere with the fulfillment of the goals of the GMA generally and Goal 2 specifically. However, if the County does not act to achieve compliance on this provision within the remand period, the Board would consider a properly supported motion for invalidity at that time.

¹⁴⁹ Ludwig, Prehearing Brief at 8.

¹⁵⁰ See *Lake Cavanaugh Association v. Skagit County*, WWGMHB 04-2-0011 (Order on Dispositive Motion, September 21, 1994), *Butler, et. al v. Lewis County*, WWGMHB Case No. 99-2-0027c and *Panesko v. Lewis County*, WWGMHB Case No. 00-2-0031c (Order Finding Noncompliance and Imposing Invalidity, February 13, 2004)

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Conclusion: As long as the County acts within the remand period set in this order, the Board finds it unlikely that the continued validity of SJCC 18.40. 240(G) (4) will substantially interfere with the fulfillment of the goals of the GMA. Therefore, we decline to enter a finding of invalidity at this time. As for sanctions, the Board finds that Ordinance 7-2006 represents good progress in bringing San Juan County's detached ADU regulations into compliance with the GMA. There is no basis for seeking sanctions at this time.

VII. FINDINGS OF FACT

- 1. San Juan County is located west of the crest of the Cascade Mountains and is required to plan according to RCW 36.70A.040.
- Margaret Manning and Timothy Blanchard (Case No. 06-2-00013), Donna Gavora (Case No. 06-2-0015), Wanda Evans (Case No.06-2-0017), John Evans (Case No.06-2-0018), Brian and Orgelina Wiese(Case No. 06-2-0019), Ralph Gutschmidt (Case No. 06-2-0020), James Nelson (Case No. 06-2-0021), and Stephen Ludwig (Case No. 00-2-0024) filed timely Petitions for Review.
- Case No. 06-2-0013 and Case No. 06-2-0015 were consolidated as Case No. 06-2-0015c. Case No. 06-2-0015c was consolidated with Case Nos. 06-2-0017, 06-2-18. 06-2-0019, 06-2-0020. 06-2-0021, and 06-2-0024 and captioned as James Nelson et al v. San Juan County, Case No. 06-2-0024c..
- 4. Friends of San Juans was an original petitioner in Case No. 03-2-0003c and was granted intervention in Case No. 06-2-0024c.
- 5. All the Petitioners and Intervenor Friends of San Juans participated orally and in writing in the process to adopt Ordinance 7-2006.
- 6. San Juan County adopted Ordinance 7-2006 on June 8, 2006.
- 7. Ordinance 7-2006 was adopted to achieve compliance with the Board's Final Decision and Order/Compliance Order in WWGMHB Case No. 03-2-0003c. That decision found that the County's prior ADU regulations allowed unlimited detached ADUs throughout rural and resource lands without counting those detached ADUs as additional residential density. The Board found this violated GMA requirements for rural densities (RCW 36.70A.070(5)), GMA prohibitions against creating urban growth in rural and resource lands (RCW 36.70A.110(1)) and the GMA's goal for reduction of sprawl (RCW 36.70A.020(2)) and conservation of resource lands (RCW 36.70A.020(8))..
- 8. The Board rescinded its determination of invalidity placed on the County's provisions regulating detached ADUs on August 18, 2006 in its Order Lifting Invalidity, based on the amendments adopted by Ordinance 7-2006.
- 9. The chief petitioner in the compliance case (WWGMHB Case No. 03-2-0003c), was Friends of San Juans (Friends). Friends no longer challenges the compliance of the County's ADU development regulations with the goals or requirements of the Growth Management Act (GMA) and now supports a finding of compliance.
- 10. Pursuant to SJCC 18.20.010, an "accessory dwelling unit (ADU)" is defined as a living area that is accessory to the principal residence, located on the same lot, and that provides for sleeping quarters, kitchen, and sanitation facilities.

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- 11. Pursuant to SJCC 18.20.040, a "detached ADU" is defined as an ADU that is physically distinct from the principal residence.
- 12. The amendments enacted by Ordinance 7-2006 count a detached ADU as a unit of density in rural and resource lands unless allowed pursuant to an ADU permit. SJCC 18.40.240(A).
- 13. SJCC 18.40.240 establishes a program to allow a small number of permits for detached ADUs in resource and some rural lands annually.
- 14. Detached ADUs are limited to no more than 1,000 square feet in living area. SJCC 18.40.240(F)(1).
- 15. SJCC 18.240(F)(4) requires the accessory dwelling unit to be owned by the owner of the principal residence.
- 16. New SJCC18.40.240(G)(1)(b) provides that outside of the boundaries of activity centers and urban growth areas, the number of detached ADU permits in any calendar year shall not exceed 12 percent of the total number of building permits for new principal residences issued for the previous calendar year outside the boundaries of activity centers and urban growth areas.
- 17. New SJCC 18.40.240 (G)(2) restricts the maximum distance between the closest vertical walls of the main house and any detached accessory dwelling unit to no more than 100 feet, unless the 100 feet distance would result in a greater impact on the open space features of the property.
- 18. SJCC 18.40.240(G)(3) requires the location impacts to "avoid or minimize intrusion on the most sensitive open-space features of the site" including existing orchard, meadows an pasture areas; ridgelines and contrasting edges between landscape types unbroken by structures; rolling, open or steep open slopes, and critical areas.
- Ordinance 7-2006 amends SJCC 18.40.240 to provide that an accessory dwelling unit shall use the same driveway, septage[sic]/sewer system, and water system as the principal residence. (SJCC 18.40.240(F)(3)).
- 20. The requirement for a shared septic system is new to this version of the ADU development regulations.
- 21. The absolute number of ADU permits, based on historical numbers of building permits issued outside of activity centers and urban growth areas, is estimated to be about 15 per year. Of that amount, 1/6th of the ADU permits are allocated to conversions of existing structures that have been legal for at least 5 years.
- 22. The Official Maps of the County's Comprehensive Plan establish rural densities at one dwelling unit per five acres and one dwelling unit per ten acres. These rural densities have been found compliant with RCW 36.70A.070(5)(b) and (c).
- 23. San Juan County's comprehensive plan describes its rural character as:
 - "...Rural lands are intended to retain the pastoral, forested, and natural landscape qualities of the islands while providing people with choices for living environments at lower densities or use intensities than those in Activity Centers".
- 24. San Juan County's development code further describes rural character as: "...a quality of landscape dominated by pastoral, agricultural, forested and natural areas interspersed with single-family homes and farm structures...."
- 25. San Juan County's isolation, recognition as a tourist destination, historic use of ADUs for vacationing family members or as a vacation residence before a main house is built, and rural lot development pattern are unique characteristics.

- 26. Given the number of potential parcels upon which detached ADUs may be constructed and the limitations on their size, location, and ownership, an annual limit of approximately 15 of such permits is unlikely to disturb the existing, compliant scheme of rural densities, that is, densities of 1 dwelling unit per 5 acres or 1 dwelling unit per 10 acres.
- 27. The limited number of detached ADU permits coupled with the limitations on location, ownership, utilities and impact on the open-space features of the lot also prevent the detached ADU regulations from creating sprawl in rural zones of compliant rural densities.
- 28. The small number of such permits issued for detached ADUs in rural and resource lands restrains the extent of such development in any one area so it is most likely that detached ADU permits will be issued in different locations, rather than establishing a pattern of growth.
- 29. However, Ordinance 7-2006 also allows detached ADUs to be constructed or converted on rural lots that are less than 5 acres in size, if the lots are at least 1 acre in size. (SJCC 18.40.240 (G)(4)(b)).
- 30. The County Comprehensive Plan acknowledges the existence of lots in the RR (rural residential) zone that are below 5 acres in size but notes that this is because they were established in the 1979 comprehensive plan.
- 31. The Comprehensive Plan also encourages combination of existing lots in order to reduce the number of dwelling units that may be developed in rural areas "where the existing parcel pattern would permit development at a density greater than that established by this Plan and the Official Maps".
- 32. Where the rural lots are nonconforming (under 5 acres in size), the addition of a second residence causes residential uses to predominate over rural uses and to exceed a rural level of development.
- 33. Allowing an additional detached residence on a nonconforming rural lot is not consistent with the County's own plan for rural densities and preservation of rural character.
- 34. Intensive residential uses on these substandard rural lots constitute urban growth in rural lands.
- 35. The County's estimate of 15 detached ADUs annually applies to all rural and resource lands, not just to resource lands.
- 36. In resource lands, the location, size and ownership requirements for detached ADUs together with the limit on numbers of such detached ADUs minimize the conversion of resource lands to non-resource purposes, and do not create an incompatible use.
- 37. No evidence exists in the record that San Juan County has elected to create an affordable housing incentive program pursuant to RCW 36.70A.540.
- 38. No Petitioner cites to any portion of the CTED recommendations for providing ADUs that the County is alleged to have violated.
- 39. No evidence has been presented that either Ordinance 7-2006's limitations on attaching ADUs to accessory buildings or limiting building permits for detached ADUs to 12 percent of the annual residential permits in rural and resource lands exceed the scope of local flexibility allowed by RCW 43.63A.215.
- 40. Petitioners have not offered any evidence that the County's ADU regulatory scheme will reduce the affordability of housing in San Juan County.
- 41. Petitioners have not demonstrated that the limitation on detached ADUs in rural and resource lands will have a significant impact upon economic development in the San Juan Islands.
- 42. SJCC 18.40. 240 (G)(3) provides criteria to use when issuing a building permit for a

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- detached ADU. Building Permits are issued on a case by case basis.
- 43. The County promptly published guidelines on how to apply for an ADU permit and allows for telephone reservations for ADU permits to help make the permit system more accessible for those who must travel long distances to the permit office and nonresident applicants.
- 44. The County adopted a public participation program specifically for consideration of the amendments to its ADU regulations. The public participation program included workshops, hearings before the planning commission, opportunities for written comment, and public hearings before the County Council.
- 45. The County followed its adopted public participation program for eight months.
- 46. The County held several public workshops and three public hearings
- 47. The record shows that there was full public participation here and this was not an abbreviated process
- 48. The Commissioners developed a September 1, 2005 draft version of amendments to the County's ADU regulations that allowed for a limited number of detached ADUs subject to certain restrictions. These or similar recommendations were the subject of several workshops, as well as hearings before the Planning Commission and a County Council public hearing on June 6, 2006.
- 49. Letters in the record from Friends indicate that it supported the September 1, 2005 County draft recommendations that allowed for an exception to requiring detached ADUs as a unit of density in rural and resource lands with strict conditions.. Friends also supported the Planning Commission's recommendations that detached ADUs should not be allowed in rural or resource lands without counting them as a unit of density.
- 50. The County invited written public comments on the draft amendments presented at the June 6, 2006 public hearing, as well as allowing public testimony.
- 51. The subject of the Board's remand order was the County's ADU regulations.
- 52. The subject of Ordinance 7-2006 is an amendment to the County Code concerning ADU construction and permitting.
- 53. The amendments that the County Council eventually adopted were among the range of alternatives that were before the public and discussed at workshops and in staff reports.
- 54. The recommendations in the September 1, 2005 draft were discussed at workshops, before the planning commission, and at the June 6, 2006 public hearing. These recommendations were very similar to those eventually adopted by the County Council.
- 55. The County's adoption of Ordinance 7-2006 affects lots in the shoreline that seek to add a detached ADU but did not amend its shoreline master program.
- 56. The April 5, 2006 Determination of Nonsignificance was accompanied by the environmental checklist which clearly incorporates the environmental documents that were issued for Ordinance 21- 2002.
- 57. The changes to Ordinance 21-2002 adopted by Ordinance 7-2006 are not likely to cause more environmental impacts that the regulations adopted by Ordinance 21-2002, since the regulations in Ordinance in 21-2002 did not include any limitations on ADUs.
- 58. Comprehensive Plan Section 4.2.B.1.6 and UDC Section 18.60 authorize the County to ensure that each development permit has adequate and available water.
- 59. Any Finding of Fact hereafter determined to be a Conclusion of Law is hereby adopted as such.

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VIII. CONCLUSIONS OF LAW

- A. The Board has jurisdiction over the parties and subject matter of this consolidated case.
- B. The petitions were timely brought and the petitioners have standing to raise the issues in their petitions for review (now consolidated).
- C. The petitions challenge the County's adoption of San Juan County Ordinance 7-2006.
- D. Ordinance 7-2006, as it applies to permitted detached ADUs in existing, compliant rural zones, does not alter the existing compliant residential densities in those zones to an extent that violates RCW 36.70A.070(5).
- E. Ordinance 7-2006, as it applies to permitted detached ADUs in existing, compliant rural zones, does not violate the prohibitions against urban growth in rural areas in RCW 36.70A.110(1) or Goal 2 of the GMA (sprawl reduction) (RCW 36.70A.020(2)).
- F. The regulations that permit a detached ADU to be constructed or converted on a nonconforming rural lot of less than 5 acres (SJCC 18.40.240(G)(4)) fail to comply with RCW 36.70A.070(5) by expanding the structural intensity in rural zones beyond that which is set out in the County comprehensive plan and/or is consistent with the GMA.
- G. SJCC 18.40.240(G)(4) also creates urban growth in rural zones and promotes sprawl, thus not complying with RCW 36.70A.110(1) and RCW 36.70A.020(2).
- H. The limited provision for detached ADU permits in resource lands under the strict constraints of SJCC 18.40.240(F) and (G)(1),(2) and (3) complies with Goal 8 of the GMA (the natural resource industries goal)(RCW 36.70A.020(8)).
- I. The nature and scope of the limitations placed on detached ADUs in rural and resource lands as adopted by Ordinance 7-2006 are within the County's "local flexibility" pursuant to RCW 43.63A.215 and therefore comply with RCW 36.70A.400.
- J. Ordinance 7-2006 complies with RCW 36.70A.020(4), RCW 43.63A.215, RCW 36.70A.011 and RCW 36.70A.540.
- K. Ordinance 7-2006, Section 18.40.240 G(1)(b) and Sections 1, 3,5 of the Ordinance comply with RCW 36.70A.020 (7).
- L. The public participation process followed to adopt the amendments to the County's ADU regulations by Ordinance 7-2006 were not clearly erroneous violations of RCW 36.70A.130 (2)(b), RCW 36.70A.130(1), or RCW 36.70A.140.
- M. The County's method of public notification for consideration of its ADU amendments in Ordinance 7-2006 complies with RCW 36.70A.035 (1).

- N. The adoption of Ordinance 7-2006 did not violate the Shoreline Management Act (Ch. 90.58 RCW).
- O. The adoption of Ordinance 7-2006 did not violate the State Environmental Policy Act (SEPA) (Ch. 43.21C RCW).
- P. The Board has no jurisdiction over the regulation of private water systems or deciding compliance with WAC 246-290-100-4 and WAC 246-290-100-4(b)(i) and (ii) pursuant to RCW 36.70A.280(1).
- Q. Any Conclusion of Law hereafter determined to be a Finding of Fact is hereby adopted as such.

IX. ORDER

San Juan County is ordered to bring ICC SJC 18.40.240(G)(4) into compliance with the GMA in accordance with this decision within 180 days. **Compliance shall be due no later than July 12, 2007.** The following schedule shall apply:

Compliance Due	July 12, 2007
Compliance Report and Index to Compliance Record (County to file and serve on all parties)	July 23, 2007
Any Objections to a Finding of Compliance and Record Additions/Supplements Due	August 6,, 2007
County's Response Due	August 20, 2007
Compliance Hearing (location to be determined)	August 27, 2007

Any requests for an extension of the period for compliance must substantiate that compliance could not reasonably be achieved within the time period set herein and must be filed with the Board no later than **June 30, 2007.**

Entered this 12th day of February 2007.

Holly Gadbaw, Board Member	
Margery Hite, Board Member	

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Western Washington Growth Management Hearings Board 515 15th Avenue SE Olympia, WA 98501 P.O. Box 40953 Olympia, Washington 98504-0953

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James McNamara	Board Member	

Pursuant to RCW 36.70A.300 this is a final order of the Board.

Reconsideration. Pursuant to WAC 242-02-832, you have ten (10) days from the mailing of this Order to file a petition for reconsideration. Petitions for reconsideration shall follow the format set out in WAC 242-02-832. The original and three copies of the petition for reconsideration, together with any argument in support thereof, should be filed by mailing, faxing or delivering the document directly to the Board, with a copy to all other parties of record and their representatives. Filing means actual receipt of the document at the Board office. RCW 34.05.010(6), WAC 242-02-330. The filing of a petition for reconsideration is not a prerequisite for filing a petition for judicial review.

<u>Judicial Review</u>. Any party aggrieved by a final decision of the Board may appeal the decision to superior court as provided by RCW 36.70A.300(5). Proceedings for judicial review may be instituted by filing a petition in superior court according to the procedures specified in chapter 34.05 RCW, Part V, Judicial Review and Civil

<u>Enforcement.</u> The petition for judicial review of this Order shall be filed with the appropriate court and served on the Board, the Office of the Attorney General, and all parties within thirty days after service of the final order, as provided in RCW 34.05.542. Service on the Board may be accomplished in person, by fax or by mail, but service on the Board means <u>actual receipt</u> of the document at the Board office within thirty days after service of the final order.

<u>Service</u>. This Order was served on you the day it was deposited in the United States mail. RCW 34.05.010(19)

Appendix A¹⁵¹

In its final decision and order on the consolidated case, the Board found the County's regulations that allowed freestanding accessory dwelling units (ADUs) in rural and resource lands to be noncompliant and invalid. *Friends of San Juans, et al. v. San Juan County*, WWGMHB Case No. 03-2-0003c (Corrected Final Decision and Order, April 17, 2003). Both the County and Petitioners appealed this decision, which was heard in Thurston County Superior Court.

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For procedural history in this case previous to April 17, 2003, see Order Lifting Invalidity (August 18, 2006)

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Growth Management Hearings Board

On October 7, 2003, the Board divided the issues in the consolidated case, *Friends of San Juans v. San Juan County*, WWGMHB Case No. 03-2-0003c, because the issues consolidated in these cases were on two different compliance schedules. The issues regarding ADUs remained in Case No. 03-2-0003c. The issues regarding the designation of urban growth areas (UGAs) for Lopez Village and Eastsound were kept in their original case, *Michael Durland v. San Juan County*, WWGMHB Case No. 00-2-0062c. That case is being heard with *Fred Klein v. San Juan County*, WWGMHB Case No. 02-2-0008.

On October 31, 2003, the Board granted the County an extension of time.

On January 9, 2004, the Thurston County Superior Court issued a decision that upheld the Board's decision on density requirements for freestanding ADUs in rural and resource lands. 153

On January 30, 2004, the County submitted a progress report to the Board. The report stated that the County has appealed the superior court decision and that the County is not accepting any applications for freestanding ADUs that do not conform to the Board's April 17, 2003, decision as modified by the superior court decision.

A telephonic hearing was held on May 21, 2004. After the compliance hearing, the County participated in two mediation sessions with Friends. Neither of these mediation sessions was successful in resolving the issues. The County requested in its June 21, 2004, letter that the Board exercise its discretion and not issue an order until the appellate court issues its decision.

On June 30, 2004, the Board issued an order finding continuing noncompliance and invalidity and ordering the County to take official action to comply with the Board's April 17, 2003, order and to notify the public of that action.

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¹⁵² ADU issues were originally heard in *Town of Friday Harbor, Fred R. Klein, John M. Campbell, and Lynn Bahrych, et al. v. San Juan County,* WWGMHB Case No. 99-2-0010c.

¹⁵³ However, the superior court ruled that the occupants of ADUs in resource lands did not have to be limited to family members or farm workers as required by the Board's decision and upheld the County's siting requirements.

On July 9, 2004, the Board received Petitioners' Motion for Clarification or Reconsideration. Petitioners alleged that the County is permitting a second single-family residence on lots in rural and resource lands that contain a single family dwelling unit of 1000 square feet or less. Therefore, Petitioners asked the Board to:

- (1) direct the County immediately to discontinue its policy of permitting a second single-family dwelling unit on all lands with existing dwelling units smaller than 1000 square feet, and
- (2) direct the County to amend its ordinance within a specific time period to bring its ordinances and policies into compliance with the GMA.

On December 3, 2004, the Board found that Ordinance 21-2002 had not been amended and that the Board could no longer accept, pending resolution of the County's appeal to the courts, the County's "practice" of not issuing building permits that did not conform to the Board's order as interim compliance in lieu of amending its ordinance because now Petitioners dispute whether the County in fact is complying with this order when issuing building permits for ADUs. Order on Issues for Reconsideration (December 3, 2004). Therefore, the Board found Ordinance 21-2002 in continuing noncompliance and invalidity and ordered the County to bring that ordinance into compliance within 120 days. *Ibid*.

The County adopted Ordinance 3-2005 on April 14, 2005. After a compliance hearing, the Board issued an order that found because Ordinance 3-2005 was an interim ordinance, it could not find compliance. Further, the Board found that this ordinance did not cure invalidity of the County's regulations for detached ADUs because the regulations adopted by this ordinance did not restrict ADUs in resource lands to the underlying density. Compliance Order (2005) (July 21, 2005).

On September 15, 2005, the Board received the County's motion to amend the compliance schedule followed by a response from the Petitioners in support of amending the schedule. The parties had jointly filed a motion with the Court of Appeals to stay the issuance of a decision of the County's appeal of the Thurston County Superior Court's decision in this case in order to craft regulations for detached ADUs acceptable to both parties. On September 29, 2005, the Board issued an order amending the compliance schedule. Order Granting Extension (September 2005).

On March 3, 2005 the County requested another extension, supported by the Petitioners to complete the public participation process. The Board granted this extension on March 23, 2006. Order Granting Extension (March 2006). The County asked for a 60 day extension of the compliance deadline on May 10, 2006 in order to have a second public hearing on changes the county council has made to the planning commission draft. Petitioners objected to a 60 day extension. Later, in a conference with Petitioners, the County, and the Presiding Officer, the Petitioners and the County agreed to an expedited compliance schedule. On May 25, 2006, the Board issued an order that extended the compliance period to June 14, 2006 and scheduled a compliance hearing for June 30, 2006. Order Extending the Compliance Period (May 2006).

On June 8, 2006 the San Juan County adopted Ordinance 7-2006.

In response to Stephen Ludwig's May 24, 2006 request to intervene, the Board issued an order on June 13, 2006 adding Mr. Ludwig as a participant.

After the May 25, 2006, Order Extending the Compliance Period, the Board received numerous letters objecting to the expedited compliance schedule and requests to become participants in the compliance proceedings. In response the Board held a compliance prehearing conference on June 13, 2006 with the County, original petitioners, and parties requesting to be added as participants. On June 21, 2006, the Board issued an order rescheduling the compliance hearing to July 21, 2006 and issued a new briefing schedule. The order also added the following people to the case as participants: Dorothy Austin, Thomas Baldwin, Miriam M. Ziegler, Howard Tollefson, John B. Evans, Wanda Evans, Ri Warren, James E. Nelson, Timothy P. Blanchard, Margaret Manning, Donna Gavora, Jay Kimball, Brian Wiese, Margot Shaw and Doug Marshall. Order Rescheduling the Compliance Hearing and Adding Parties. Later, on June 30, 2006, the Board added Ralph Gutschmidt as a participant, and on July 12, 2006, Fred Munder.

Also, on June 21, 2006, San Juan County filed its compliance report and a motion to rescind invalidity. Compliance Report and Motion to Rescind Invalidity.

On July 28, 2006, the Board received Request for Reconsideration and Motion to Reschedule Deadline for Parties to Submit Objections to a Finding of Compliance and Motions to Supplement

the Record from James Nelson, and a motion making the same requests from Margaret Manning and Timothy Blanchard on June 30, 2006. Douglas Marshall filed Motion for Reconsideration of Scope, and Motion for Extension of Deadlines on June 29, 2006. On July 3, 2006, the Board issued Order Denying Motions and Requests to Reschedule the Compliance Hearing, Readjust the Compliance Schedule, and Broaden the Compliance Hearing.

Stephen Ludwig filed objections to a finding of compliance on June 27, 2006. The following participants filed written objections to a finding of compliance and motions to supplement the record on July 6, 2006: Margaret Manning, Douglas Marshall, James Nelson, John Evans, and Wanda Evans. Dorothy Austin also filed objections to a finding of compliance on that date. Thomas Baldwin and Miriam Ziegler filed objections and a motion to supplement the record on July 10, 2006.

On July 17, 2006, the County filed San Juan County's Response to Objections to Compliance Finding and Friends filed Petitioners' Response to Objections and Brief in Support of Lifting Invalidity and Opposition to Motions to Supplement the Record.

The Board held a compliance hearing in Anacortes on July 21, 2006. Deputy Prosecutor Cameron Carter represented San Juan County; Lynn Bahrych and David Mann represented Petitioners.

James Nelson, Douglas Marshall, John Evans, Timothy Baldwin, Fred Munder, Stephen Ludwig, Ri Warren, and Ralph Gutschmidt spoke in opposition to a finding of compliance and lifting invalidity.

Board members Gayle Rothrock, Margery Hite, and Holly Gadbaw attended.

On August 8, 2006, the Board received Motion to Clarify and /or Modify Previous Orders of Invalidity and for Other Relief along withMemorandum in Support of Motions Regarding Ordinance 11-2006.

On August 29, 2006 the Board issued Order on County's Motion Regarding Ordinance 11-2006.

On August 18, 2006, the Board issued Order Lifting Invalidity.

On August 22, 2006 Order on Supplementing the Record was issued on the motions to supplement the record in response to motions to supplement the record filed by Douglas Marshall, James Nelson, Ri Warren, John Evans, Wanda Evans, Thomas Baldwin, Miriam Ziegler, and Ralph Gutschmidt.

Case No. 6-2-0024c

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Between July 17, 2006 and August 14, 2007, the Board received petitions for review from the following people: Margaret Manning and Timothy Blanchard, Donna Gavora, Thomas Baldwin, Douglas Marshall, and Miriam Ziegler, Wanda Evans, John Evans, Brian and Orgelina Wiese, Ralph Gutschmidt, James Nelson, and Stephen Ludwig. Donna Gavora's case was consolidated with Margaret Manning and Timothy Blanchard's case.

A telephonic prehearing conference was held on August 23, 2006 with all petitioners attending as well as San Juan County Deputy Prosecuting Attorney Cameron Carter, and Presiding Officer Holly Gadbaw. The Prehearing Order was issued on August 31, 2006. Several petitioners objected to the issues statements as presented. On September 18, 2006, the Presiding Officer issued an Amended Prehearing Order.

On August 31, 2006, an order consolidated these cases, which captioned it as James Nelson et al v. San Juan County, Case No. 06-2-0024c.

Friends of San Juans filed a motion to intervene on September 8, 2006. An order granting Friends of San Juans intervention was issued on September 20, 2006.

Petitioners Stephen Ludwig, Ralph Gutschmidt, John Evans, Wanda Evans, and Thomas Baldwin, Douglas Marshall, and Miriam Ziegler filed Prehearing Briefs. The Baldwin, Marshall, and Ziegler brief was not served on Intervenor Friends until December 11, 2006. Intervenor Friends filed its brief on December 7, 2006.

In response to motions for from the County, the Board extended the County's briefing schedule deadline until December 11, 2006. The Presiding Officer also adjusted the time for Intervenor Friends to respond to the Baldwin Marshall, and Ziegler Prehearing Brief, for Petitioners to respond to the County's Brief, and for Baldwin, Marshall, and Ziegler to respond to Friends' Response Brief in an order issued on December 13, 2006.

A Hearing on the Merits was held at the Eastsound Fire Station on January 4, 2006. The County was represented by Special Deputy Prosecutor Craig Magnusson. David Mann and Lynn Bahrych represented Friends. John Evans, Wanda Evans, Ralph Gutschmidt, and Stephen Ludwig

represented themselves. Douglas Marshall represented himself, Thomas Baldwin and Miriam Ziegler. Board Members James McNamara, Margery Hite, and Holly Gadbaw attended.

At the hearing after receiving no objection from the County or Friends, the Board granted the Baldwin, Marshall, and Ziegler motion to supplement the record with the following items with the following index numbers, with the stipulation that the Board will give these items the appropriate weight:

- 1501 August 30, 2005 e-mail from Commissioner Lichter to Commissioner Richter
- 1502 August 20, 2005 e-mail from Prosecuting Attorney Randall Gaylord to County Commissioners
- 1503 August 31, 2005 e-mail from Stephanie Buffum Filed to Commissioner Lichter that forwarded an earlier e-mail from Lynn Bahrych
- 1504 1507 Cover memo from Friends to the San Juan Board of Commissioners,
 including a three page 3-page document executed by Lynn Bahrych and Stephanie Buffum