STAFF REPORT

TO: Clark County Planning Commission

FROM: Oliver Orjiako, Director

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DATE: November 19, 2015

SUBJECT: Public Hearing; Rural Vacant Land Model & Planning Assumptions

INTRODUCTION

The purpose of this hearing is for the Planning Commission (PC) to consider changes to the planning assumptions, a new methodology for estimating capacity in rural Clark County (Nov. 15, 2015, version 1.08) and revised Alternative 4 Rural, Agriculture and Forest maps. As a reminder, the purpose is to get to a preferred alternative to be studied in a final supplemental environmental impact statement (FSEIS).

BACKGROUND

On September 17, 2015 the PC held a public hearing at which a recommendation was made to the Board of County Councilors (BOCC) on a preferred alternative. The BOCC held a public hearing on October 20th to consider the PC recommendation and decided to continue that hearing to November 24. In addition, new documents titled "Need to correct Clark County population growth rate forecast," "The need to plan for realistic rural population growth," and revised Alternative 4 Rural, Agriculture and Forest maps were introduced. A proposal to change the planning assumptions including a new methodology for estimating rural lots was presented to the PC at a work session on November 5.

On November 9, a joint PC/BOCC work session was held to discuss the proposed changes to the planning assumptions, new methodology for estimating rural lots, and revised Alternative 4 maps. At that work session, the Board gave direction to seek public comment on the new materials at two public meetings and a PC public hearing on November 19.

METHODOLOGY ANALYSIS

The methodology for the Rural Vacant Lands Model (RVBLM) as described in Exhibit 1 was provided to the PC at the November 5 work session. The purpose of the RVBLM (model) is to estimate the number of potential houses (capacity) that can be accommodated on lands outside of the urban growth areas. The model analyzes land use derived from current and/or proposed zoning districts at the parcel level. Clark County Code defines a minimum lot size for each zone that is the foundation for determining the number of housing units a parcel could accommodate at full build-out. The numbers generated from this work are the numbers in the draft supplemental environmental impact statement (DSEIS) in Table 1-2 on page 1-3.

Exhibit 2 provides a side-by-side comparison between what was used for the draft supplemental impact statement (DSEIS) and the proposed changes to the planning assumptions. Exhibit 2 provides information on the reduction in the number of lots per the revised planning assumptions, as reviewed by GIS.

Staff has reviewed the assumptions used in the proposed changes to the planning assumptions and discuss in more detail below the following key assumptions: environmentally constrained layers, non-conforming lots, urban/rural population split, never to convert and market factor.

Environmentally constrained layers

The proposed method excludes 100% of land that has the following environmental constrained or critical layers::

- 100 year floodplain or flood fringe
- Wetlands inventory (NWI, high quality, permitted, modeled) with 100 foot buffer
- Slopes greater than 15 percent
- Land slide area that has active or historically unstable slopes
- Designated shorelines
- Hydric soils with 50 foot buffer
- Habitat areas with 100 foot buffer
- Species areas with 300 foot buffer
- Riparian stream buffers by stream type

The environmentally constrained layers are a tool to identify potential critical lands that need to be protected and to trigger additional environmental analysis to verify what is actually on the ground, as development is proposed. There are many instances where development envelopes are proposed to allow for development and protect the environment. These are proposed on a site specific basis after an on-site assessment done by either our environmental staff or a consultant hired by the property developer. Once the on-site assessment is done and the development envelopes are recorded on the plat, the property can be developed within those building envelopes identified. Given the large lot sizes in the rural area and the ingenuity of developers to maximize the development potential of the land, it may be more appropriate to use a percentage deduction based on the number of rural developments that have not reached their maximum density due to constrained lands. At the very least lots in platted subdivisions or short plats should be counted as buildable even if they fall below the 1 acre threshold since it has already been vetted and deemed buildable.

Non-conforming lots

Non-conforming lots are those lots that do not meet the minimum parcel size of the zoning designation. Clark County Code recognizes those parcels that were lawfully established as building lots prior to any legislative zone change as legal, non-conforming lots in the future. The proposed methodology concerning non-conforming lots assumes that only 10% of those lots will develop within the 20-year planning horizon. The premise of this assumption is based on data that shows a sharp decline in the development on non-conforming lots and using that trend line to project a future decline in the development of these non-conforming lots. The data used to establish this premise cannot be verified and therefore the conclusions reached cannot be justified.

For example, the data (Exhibit 3) provided to support this assumption shows 15,810 non-conforming lots built from 1995-2015. However, data on non-conforming lots in the rural area shows only 3,433 building permits issued between 1995 and 2014 (Exhibit 4). In addition the building permit data for the entire rural area shows only 6,831 building permits in the same time frame. The building permit data provided in Exhibit 4 shows that non-conforming lots develop at a similar rate to rural development as a whole, so staff would suggest treating those lots the same as vacant land. If a 10% never to convert factor is to be applied it should also apply to the non-conforming lots as opposed to the 90% proposed.

Urban/Rural population split

The urban/rural population split is a policy decision. However those decisions in combination with a slightly modified population target affect the estimated number of people to plan for in the rural area. The DSEIS considered a 20-year growth of the rural population of 12,956. The Board gave direction on November 9 to consider 16,325. That is a 26% increase. Since the November 9 joint worksession a revision was made to bring the rural total to 16,656 a 29% increase.

Never to convert

Never to convert factor assumes that a certain percentage of land that is currently vacant or capable of being divided to create additional lots will not be developed in the 20-year planning horizon. The proposed methodology uses the same percentages as applied to the urban model (10% for vacant and 30% for underutilized). These factors have been used in the urban model but not in the rural model. The only applicable data available is the Rural Survey done in 2013. That survey asked property owners whether they would favor a smaller minimum lot size, thereby providing an opportunity to divide their land. 27% of the respondents indicated they would not be in favor of the smaller minimum lot size. This would be comparable to the 30% underutilized factor proposed. However, the level of interest in correcting the adopted 1994 land use plan would seem to indicate there is more interest in the rural area to create additional lots.

Market factor

Market factor is a tool used to size urban growth areas. WAC 365-196-310(4)(b)(ii)(F) states, in part:

> (F) The land capacity analysis may also include a reasonable land market supply factor, also referred to as the "market factor." The purpose of the market factor is to account for the estimated percentage of developable acres contained within an urban growth area that, due to fluctuating market forces, is likely to remain undeveloped over the course of the twenty-year planning period.

ALT 4 MAP

The revised version of the Alternative 4 map has one single parcel zoned R-10. Staff would not recommend having a zoning district made up of a single parcel.

EXHIBIT 1

Estimating Potential Rural Housing and Employment

Clark County, Washington

The Rural Vacant Buildable Land Model (Rural VBLM) estimates the number of houses and jobs on lands outside of the Urban Growth Area. Rural lands and rural development behave differently than urban development. These differences are significant enough to require a new VBLM classification method. This document describes the Rural VBLM.

The Rural VBLM works very similar to the Urban VBLM. The primary input is a proposed land use layer. This layer is used to classify lands into the 3 VBLM land use categories: Residential, Commercial, or Industrial. The Assessor's database is used to classify the parcels into VBLM classifications: Vacant, Built, Underutilized, Excluded) based on the property type, ownership, and size. The Residential Rural VBLM differs most substantially from the Urban VBLM.

Rural VBLM Land Uses

Land use designations from the comprehensive plan or proposed zoning plan are categorized into the three land use models.

- Residential – rural, rural center residential, urban reserve, agriculture, and forest land use designations
- Commercial – commercial land use designations
- Industrial – industrial land use designations

Residential VBLM Classifications

Property with a proposed land use of Residential are subdivided into the following VBLM categories based on information from the Assessor's database.

- Built
  - Parcel has existing housing units
  - Parcel is too small to be further divided based on minimum lot size requirements
- Vacant
  - No existing housing units
  - May contain outbuildings
- Underutilized
  - Parcel has existing housing units
  - Parcel is large enough to be further divided based on minimum lot size requirements
- Excluded
  - Forest zoned lands in the Current Use program (Timber or Designated Forest Land (DFL))
  - Surface mining overlay area
  - Water Areas
  - Private street or Right of Way
  - Transportation or utilities
  - Private park or recreation areas
  - Assessed as a zero value property
  - Size is less than 1 acre
  - Tax exempt

- Not a Residential land use

Residential Planning Assumptions:

- Housing capacity calculation:
    - One housing unit per undersized vacant parcel
    - Conforming vacant and underutilized parcels
        - Housing unit capacity is calculated by dividing the parcel acres by the minimum lot size.
        - For dividable parcels remainder lots are considered buildable if they are within 10% of the minimum lot size.

- Population Capacity calculation
    - 2.66 persons per housing unit

Employment

Most of the rural area is designated rural residential but there are pockets of commercial and industrial areas available for future employment. Commercial and Industrial lands use the same Rural VBLM classifications. The only difference is in the number of employees per acre

Commercial and Industrial VBLM Classifications

- Vacant
    - Building value less than $67,500
- Underutilized
    - Parcels with existing buildings that have a building value per acre less than $50,000
- Excluded
    - Surface mining overlay area
    - Water
    - Private street
    - Right of Way
    - Utilities
    - A Private park or recreation areas
    - Assessed as a zero value property
    - Tax exempt
- Built
    - Building value of $67,500 or more
- Not Commercial or industrial

Employment Planning Assumptions:

- Vacant and underutilized lands receive the same number of employees per acre.
    - No reductions for constrained areas or infrastructure
    - Commercial employment
        - 20 employees per acre
    - Industrial employment
        - 9 employee per acre

EXHIBIT 2

Comparing Models for Estimating Potential Rural Housing

Clark County, Washington

The Rural Vacant Buildable Lands Model (Rural VBLM) estimates potential houses on lands outside of urban growth areas. This document describes the residential model and compares the results for land use alternatives based on Draft Supplemental EIS (DSEIS) and proposed exclusions and planning assumptions.

The model analyzes land use derived from current and/or proposed zoning districts at the parcel level. Clark County Code defines a minimum lot size for each zone which is the foundation for determining the number of housing units a parcel could accommodate. Characteristics from the Assessor's database such as property type, units, and size are evaluated to help further determine if the land is developable.

Residential VBLM Land Use

Residential classified land uses include:

- Rural
- Rural Center Residential
- Urban Reserve
- Agriculture
- Forest

Residential VBLM Classifications

Residential properties are divided into the following classifications.

- Built
  - Parcel has existing housing units
  - Parcel not large enough to be further divided
- Vacant
  - No existing housing units
  - Parcel size greater than or equal to minimum lot size
  - May contain outbuildings
- Vacant Undersized
  - Same as vacant but property size is below minimum lot size requirements
  - 1 acre minimum
- Underutilized
  - Parcel has existing housing units
  - Parcel is large enough to be further divided based on minimum lot size requirements
- Not Residential
  - Does not have a residential land use
- Excluded

Exclusion	DSEIS	Proposed
Forest zoned lands in the Current Use program (Timber or Designated Forest Land (DFL))	✓	(Note: Some timberlands are excluded as site specific properties)
Surface mining overlay area	✓	✓
Water Areas	✓	✓
Private street or Right of Way	✓	✓
Transportation or utilities	✓	✓
Private parks or recreation areas	✓	✓
Assessed as a zero value property	✓	✓
Size is less than 1 acre	✓	✓
Mobile Home Parks		✓
Tax exempt	✓	✓
Site specific properties determined not buildable for various reasons		✓

✓ - excluded in the model

Residential Planning Assumptions

Planning assumptions are applied to Vacant, Vacant Undersized, and Underutilized residential properties to better estimate development over the 20 year planning period.

Assumption	DSEIS	Proposed
Constrained (Critical) Lands[1]	No reduction for constrained lands	All constrained lands are deducted from buildable lands
Never to Convert Factor	None	10% for vacant and 30% for underutilized applied to total housing units
Undersized Vacant Parcels Over 1 Acre	One housing unit	One housing unit if at least 1 acre with no constraints
Undersized lot Development Factor	None	10% of undersized parcels will likely develop
Housing Capacity for Vacant and Underutilized Lands	Housing Capacity = Total Acres / minimum lot size	At least 1 acre of unconstrained land per allowed housing unit. If not, reduce housing units to the number that can be accommodated by unconstrained acres
10% Variance Factor	For dividable parcels one lot is considered buildable if it is within 10% of the minimum lot size	
Underutilized Parcels	Account for existing housing unit	
Population Capacity	2.66 persons per housing unit	

Estimates for Potential Housing Units

The below table compares results for alternatives based on the DSEIS and proposed models. These numbers represent all buildable land including: Agriculture, Forest, Rural, Rural Center, Urban Reserve, Columbia River Gorge areas and Agriculture/Wildlife designations.

Alternative	DSEIS Methodology*	Proposed Methodology
Alternative 1 (Current Zoning)	7,660	3,325
Alternative 4 Revision	11,409	6,638

*The number of lots in the DSEIS does not include potential lots on the following land use designations: Rural Center, Urban Reserve, Columbia River Gorge and Agriculture/Wildlife.

Identifying change in Potential New Housing Units between DSEIS Alt 4 and New Alt 4

	Housing Units
Alternative 4 (DSEIS) Total VBLM Housing Units	**12,401**
Timber Excluded	1,278
Other Rural Zones	127
	13,806

Factors	**Reduced Housing Units***
Constraints	3,594
Undersized Never to Convert (90% will not develop)	590
Never to Convert - 10% of Vacant	407
Never to Convert - 30% of Underutilized	1,157
Never to Convert - 10% of Vacant Undersized	7
Overrides	772
Landuse Changes	629
Unidentified	12
Total Housing Unit reductions	**7,168**

Revised Alternative 4 Total VBLM Housing Units	**6,638**

*Reduced housing units can be a result of more than one factor

DRAFT - 11/19/2015

1. **Constrained Lands:**
    - 100 year floodplain or flood fringe
    - Wetlands inventory (NWI, high quality, permitted, modeled) with 100 foot buffer
    - Slopes greater than 15 percent
    - Land slide area that has active or historically unstable slopes
    - Designated shorelines
    - Hydric soils with 50 foot buffer
    - Habitat areas with 100 foot buffer
    - Species areas with 300 foot buffer
    - Riparian stream buffers by stream type (Table 2)

Table 2: Riparian Buffers

Stream Type	Buffer
Type S (Shoreline)	250 Feet
Type F (Fish Bearing)	200 Feet
Type NP (Non-fish bearing, perennial)	100 Feet
Type NP (Non-fish bearing, seasonal)	75 Feet

EXHIBIT 3

Ref	A (existing)	B (proposed)
6	All nonconforming parcels with 1 acre shall be counted as rural parcels that will develop.	10% of nonconforming parcels with at least 1 acre of unconstrained area will likely develop at the same rate indicated by historical records.

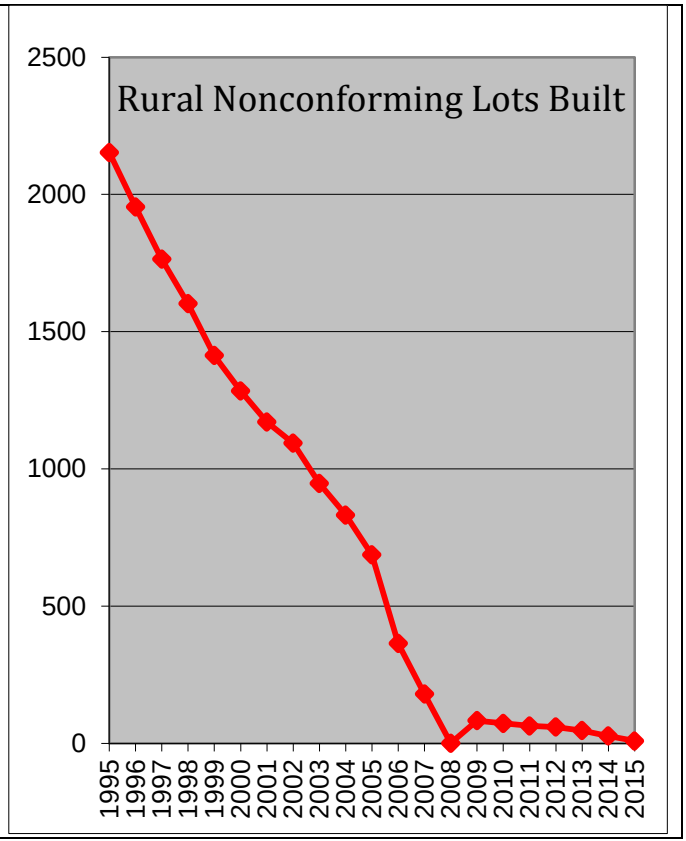
Why this is appropriate:

The following tables shows the number of vacant nonconforming lots that were built each year since 1995. Of the 18,050 nonconforming lots that were available in 1995, a total of 15,810 have been built. Each one built diminished the number of remaining lots. A total of 4393 vacant nonconforming rural parcels remain today.

The precipitous graph indicates that a small percentage of the remaining vacant nonconforming lots are likely to get built. A rough approximation of the years since the discontinuity in 2008, estimates that approximately 440 of the remaining 4393 lots will likely develop, or about 10% .

Even though choice B is a rough approximation at 10%, it is far more reasonable than choice A which assumes that 100% of the remaining lots will get built.

	A	B	C	D
1	yearbuilt	built_cnt	available	perc_dev
2	1995	2153	18050	11.928
3	1996	1955	16095	12.147
4	1997	1764	14331	12.309
5	1998	1602	12729	12.585
6	1999	1413	11316	12.487
7	2000	1284	10032	12.799
8	2001	1171	8861	13.215
9	2002	1094	7767	14.085
10	2003	947	6820	13.886
11	2004	832	5988	13.894
12	2005	687	5301	12.96
13	2006	364	4937	7.373
14	2007	180	4757	3.784
15	2008	1	4756	0.021
16	2009	83	4673	1.776
17	2010	73	4600	1.587
18	2011	64	4536	1.411
19	2012	60	4476	1.34
20	2013	47	4429	1.061
21	2014	27	4402	0.613
22	2015	9	4393	0.205



* The built count for year 2015 was increased to compensate for a partial year.

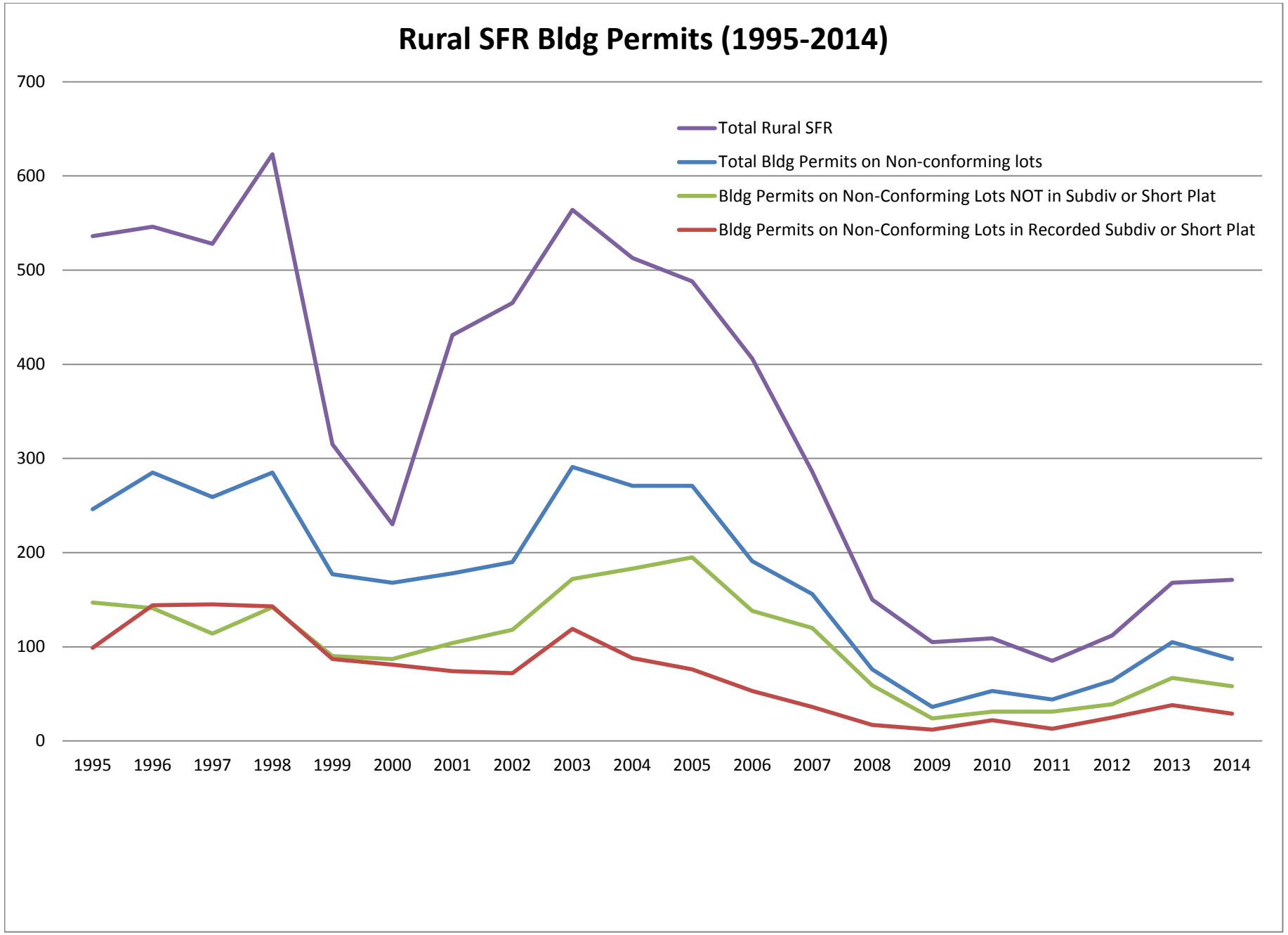
The fields in the above table are defined as follows:

built_cnt = the total number of nonconforming parcels built that year.

available = the remaining number of nonconforming parcels.

perc_dev = the percentage of available nonconforming parcels built that year

EXHIBIT 4


Rural SFR Bldg Permits (1995-2014)
700
600
500
400
300
200
100
0
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
Total Rural SFR
Total Bldg Permits on Non-conforming lots
Bldg Permits on Non-Conforming Lots NOT in Subdiv or Short Plat
Bldg Permits on Non-Conforming Lots in Recorded Subdiv or Short Plat

Year	Rural SFR Bldg Permits
1995	536
1996	546
1997	528
1998	623
1999	315
2000	230
2001	431
2002	465
2003	564
2004	513
2005	488
2006	406
2007	286
2008	150
2009	105
2010	109
2011	85
2012	112
2013	168
2014	171

Source: Clark County Plan Monitoring Report, July 2000; Clark County Buildable Lands Report 2007; Clark County Buildable Lands Report 2015

Note: 2007 Buildable Lands Report went midway through 2006 and the 2015 Buildable Lands Report began with the second half of 2006.

Rural SFR Permits Issued on Non Conforming Lots 1995-2014										
Year	AG-20	FR-40	FR-80	RC-1	RC-2.5	R-10	R-20	R-5	UR-10	Total
1995	51	12	36	1	3	28	6	106	3	246
1996	57	13	37	0	1	33	5	124	15	285
1997	39	33	25	0	2	29	4	108	19	259
1998	38	29	46	1	0	32	6	115	18	285
1999	33	18	15	1	0	20	7	72	11	177
2000	16	12	20	3	7	23	4	75	8	168
2001	30	16	28	0	3	15	9	73	4	178
2002	24	12	19	1	3	34	10	85	2	190
2003	53	15	46	2	2	38	7	122	6	291
2004	39	17	42	2	2	40	8	113	8	271
2005	42	15	49	2	4	32	15	108	4	271
2006	17	8	28	1	1	18	6	103	9	191
2007	15	4	40	0	0	9	6	80	2	156
2008	11	3	11	0	0	11	4	33	3	76
2009	5	2	8	0	0	3		15	3	36
2010	4	0	5	2	0	6	5	27	4	53
2011	6	0	5	0	0	9	1	23	0	44
2012	8	3	2	0	0	6	5	38	2	64
2013	11	4	17	3	0	11	2	56	1	105
2014	11	1	11	0	0	9	4	50	1	87
Total	510	217	490	19	28	406	114	1526	123	3,433

Rural SFR Permits on Non-Conforming Lots in Recorded Subdiv or ShortPlat										
Year	AG-20	FR-40	FR-80	RC-1	RC-2.5	R-10	R-20	R-5	UR-10	Total
1995	18	0	4	0	2	7	0	66	2	99
1996	27	8	6	0	0	9	1	82	11	144
1997	13	26	8	0	2	2	1	76	17	145
1998	10	24	8	1	0	6	0	77	17	143
1999	12	17	5	1	0	2	0	41	9	87
2000	2	9	6	3	7	3	0	47	4	81
2001	6	10	5	0	2	1	0	48	2	74
2002	8	9	0	1	1	8	2	41	2	72
2003	19	5	7	2	0	9	2	72	3	119
2004	11	12	7	2	0	10	0	42	4	88
2005	5	7	3	0	1	3	2	52	3	76
2006	3	3	4	0	0	0	1	36	6	53
2007	2	2	5	0	0	3	1	23	0	36
2008	1	0	1	0	0	1	0	12	2	17
2009	1	0	1	0	0	0	0	8	2	12
2010	0	0	1	0	0	3	1	15	2	22
2011	0	0	0	0	0	2	0	11	0	13
2012	0	0	0	0	0	1	0	23	1	25
2013	0	1	0	0	0	3	0	33	1	38
2014	1	1	0	0	0	3	0	24	0	29
Total	139	134	71	10	15	76	11	829	88	1,373

Rural SFR Permits on Non-conforming lots NOT in Recorded Subdiv or ShortPlat										
Year	AG-20	FR-40	FR-80	RC-1	RC-2.5	R-10	R-20	R-5	UR-10	Total
1995	33	12	32	1	1	21	6	40	1	147
1996	30	5	31	0	1	24	4	42	4	141
1997	26	7	17	0	0	27	3	32	2	114
1998	28	5	38	0	0	26	6	38	1	142
1999	21	1	10	0	0	18	7	31	2	90
2000	14	3	14	0	0	20	4	28	4	87
2001	24	6	23	0	1	14	9	25	2	104
2002	16	3	19	0	2	26	8	44	0	118
2003	34	10	39	0	2	29	5	50	3	172
2004	28	5	35	0	2	30	8	71	4	183
2005	37	8	46	2	3	29	13	56	1	195
2006	14	5	24	1	1	18	5	67	3	138
2007	13	2	35	0	0	6	5	57	2	120
2008	10	3	10	0	0	10	4	21	1	59
2009	4	2	7	0	0	3	0	7	1	24
2010	4	0	4	2	0	3	4	12	2	31
2011	6	0	5	0	0	7	1	12	0	31
2012	8	3	2	0	0	5	5	15	1	39
2013	11	3	17	3	0	8	2	23	0	67
2014	10	0	11	0	0	6	4	26	1	58
Total	371	83	419	9	13	330	103	697	35	2,060