



*Satpal Singh Sidhu*  
*Whatcom County Executive*



April 3, 2023

Whatcom County Business and Commerce Advisory Committee (WCBCC)

Attn: Sarah Rothenbuhler, Dan Dunne, and Troy Muljat

Delivered via email to [sarahd@birchequipment.com](mailto:sarahd@birchequipment.com), [dan.dunne@cazconstruction.com](mailto:dan.dunne@cazconstruction.com) and [troy@muljat.com](mailto:troy@muljat.com)

Re: Housing Subcommittee Recommendations to Whatcom County

Dear WCBCC Housing Subcommittee Members,

Thank you for your thoughtful work to develop housing funding, policy, and process recommendations for Whatcom County. In coordination with our planning and affordable housing staff, we have reviewed your proposals to increase access to housing for all income levels. I want to take this opportunity to formally provide some perspective on the County's role in housing affordability and also share the work we are currently undertaking. Although I do not address each of your recommendations here, I would be happy to spend some time with you to discuss those further.

As you know, the Growth Management Act (GMA) directs the vast majority of growth to occur within cities and Urban Growth Areas. The County has historically met its growth targets, which means Whatcom County has met its goals for housing supply vis-à-vis the city/county regional targets. That said, like all jurisdictions around the state, the County's housing stock does not adequately match up to the incomes of the population. Because multifamily housing – a primary vehicle for housing supply and affordability – mainly occurs within urbanized areas, the County's ability to effectively leverage affordable housing policy tools, such as inclusionary zoning, is somewhat limited.

The County's primary role as it relates to affordable housing has been through funding and advocacy. Through the implementation of a local option sales tax and sales tax credit (HB 1590 and HB 1406); creative administration of the EDI fund; dedication of American Rescue Plan Act (ARPA) funding for housing; and, state legislative advocacy, the County supports affordable, multifamily housing throughout Whatcom cities. Since 2021, the County has distributed over \$7,000,000 in ARPA funding alone for affordable housing development and preservation. These investments will support a range of housing types and income levels.

Whatcom County also leads countywide efforts for affordable housing planning across the continuum – from permanent supportive housing to affordable homeownership. The Health Department's affordable housing planning group brings together all of the nonprofit affordable housing developers to sequence projects and applications for federal, state, and local funding. Additionally, my office recently hired a Strategic Initiatives Manager, who has over ten years of experience working on affordable housing policy and funding strategies.

Meanwhile, the County's Planning Department is working in a number of areas to promote housing supply and affordability, including:

- **Implementation of HB 1220**—this bill amended the GMA to require cities and counties to address affordable housing needs as they update their comprehensive plan housing elements by July 1, 2025, including *planning for and accommodating housing affordable to all income levels*. Under the bill, the state Department of Commerce projected demand for moderate, low, very low and extremely low-income households as well as for emergency housing, shelters and supportive transitional housing for each city and county planning under the GMA, including Whatcom County.
- **Supporting Cities to Provide Additional Growth & Density**—the GMA strongly encourages the majority of future growth to be accommodated in cities and UGAs and not in rural areas. Under the current County comprehensive plan, approximately 75% of projected future population and associated housing growth is allocated to the seven (7) cities and only 25% to unincorporated Whatcom County’s two (2) non-municipal UGAs (Birch Bay and Columbia Valley) and rural areas. The County will continue to encourage the cities to accommodate the lion’s share of growth by providing for more affordable and “middle” housing opportunities such as duplexes, triplexes, cottage housing and townhouses.
- **Promoting Annexations**—the County encourages cities to either annex or extend urban sewer and water services into unincorporated municipal UGAs. Current policy of the cities in the County is not to extend urban services into unincorporated UGAs prior to annexation. Cities have been reluctant to annex low density residentially zoned unincorporated UGAs due to cost/benefit issues and resistance from property owners. Changes to state annexation laws through sales tax incentives for cities and/or using interlocal agreements between cities/counties/fire districts rather than requiring citizen petitions could help to encourage cities to annex municipal UGAs that otherwise remain undeveloped for years.
- **Implementing the Buildable Lands Report (BLR)**—the BLR identifies “reasonable measures” that Whatcom County and its cities can take to increase housing production and densities within UGAs (without expanding UGAs directly). The County is already moving forward on proposing modifications to county development regulations to require or encourage increased densities in the Birch Bay UGA. In addition, the City of Bellingham has identified reasonable measures it could take to increase housing production. As a part of the BLR, the City of Bellingham has identified the following strategies to address its housing needs:

  - Evaluating Bellingham’s existing single-family zoning code and (similar to the 2021 multi-family code update) considering adoption of the following:
    - A standardized and simplified range of densities consistent with those in the 2016 Comprehensive Plan;
    - Minimum densities;
    - Increasing densities where appropriate; and
    - Allowing Infill Toolkit development and “middle” housing forms in all single-family zones;
  - Evaluating regulatory barriers to condominium-style development;



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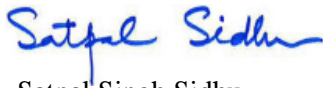


- Updating annexation plans and coordinating with Whatcom County to evaluate and adjust future City zoning in the unincorporated UGA and UGA Reserves to support expanding housing opportunities;
  - Investment in capital facilities, giving priority to capital facility investments that support production of housing;
  - Considering enacting incentive-based inclusionary zoning ordinances for new housing developments;
  - Exploring incentives for limited equity cooperatives and other models that provide an affordable path to homeownership (e.g. land trusts);
  - Revisiting existing regulations and neighborhood plans to evaluate and, if appropriate, remove regulatory impediments to otherwise-developable land;
  - Considering code amendments allowing a wider variety of Form Based Housing;
  - Considering restoring and updating the Master Plan Ordinance;
  - As mandated by HB1220, conducting a comprehensive Housing Needs Assessment to identify and quantify the housing needs for all economic segments of the community;
  - Using the Housing Needs Assessment to develop policies to plan for and accommodate a variety of housing types affordable to all economic segments; and
  - Ensuring timely updates to capital facility plans identify future infrastructure needs, funding mechanisms, and implementation plans to provide urban services to prioritize housing development necessary to accommodate forecast growth.
- **Evaluating UGA Housing and Land Capacities**—as part of the state mandated GMA periodic update to city and county comprehensive plans due July 1, 2025, the County and cities must conduct land capacity analyses to determine whether existing UGAs have sufficient capacity (and necessary urban capital facilities are planned for) to accommodate the next twenty (20) years of projected population and employment growth from 2025-2045. Depending on the projected growth targets selected by the cities and the County, available UGA land development capacity and capital facility capabilities of urban service providers (mostly cities), determine whether municipal and non-municipal UGAs need to be expanded to accommodate the forecast growth. Whatcom County has already docketed PLN2021-00007 to specifically evaluate whether the North Bellingham “Urban Growth Area Reserve” area should be re-designated as a full UGA as part of this next periodic update.
  - **EDI Program Funds**—The County has traditionally used its rural sales tax proceeds in the Economic Development Investment (EDI) fund to help offset urban service and infrastructure costs such as extensions of public sewer, water and roads in UGAs to increase affordable housing production. The County has also established two innovative programs to use EDI funds to pay for affordable housing infrastructure and impact fees. The County should continue to prioritize use of EDI funds for this purpose.
  - **Creation of an Offsite Wetland Mitigation Program**—the County has already begun an initial study to create such a program. This approach would streamline the permitting process by creating a program whereby the County or other entity operates a public site and implements code

where developers could provide for off-site wetland or other critical area mitigation to meet the GMA's "no net loss" standard to protect overall environmental functions and values without having to plan and provide for all that mitigation on every individual environmentally constrained parcel. Reaching compliance with the critical area regulations required by the GMA can be complex and contribute to an extended permitting process and costs especially on environmentally constrained parcels where impacts occur and have to be mitigated for on the same parcel. Having an off-site mitigation program can improve that process and shorten permitting timelines while still meeting environmental protection standards and possibly even achieving overall long-term environmental lift.

County staff and I would be happy to talk with you further about the specific recommendations in your letter. Please feel free to reach out to Kayla Schott-Bresler at [kschottb@co.whatcom.wa.us](mailto:kschottb@co.whatcom.wa.us) to schedule time for a discussion.

Respectfully,



Satpal Singh Sidhu  
County Executive

Cc: Whatcom County Council  
Mayor Seth Fleetwood, City of Bellingham  
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Kayla Schott-Bresler, Strategic Initiatives Manager  
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