




**WHATCOM COUNTY COUNCIL AGENDA BILL**

NO. 2018-298

<b>CLEARANCES</b>	<b>Initial</b>	<b>Date</b>	<b>Date Received in Council Office</b>	<b>Agenda Date</b>	<b>Assigned to:</b>
Originator: Matt W. Amot	M.A.	10/8/2018		10/23/2018	Planning and Development Committee
Division Head: Mark Personius	MP	10-10-18		10/23/2018	Introduction
Dept. Head: Mark Personius	MP	10-10-18		11/7/18	Hearing
Prosecutor: Royce Buckingham		10-12-18			
Purchasing/Budget:					
Executive: Jack Louws		10.15.18			

**TITLE OF DOCUMENT:**

Whatcom County Comprehensive Plan amendments relating to density credits, purchase of development rights, and transfer of development rights.

**ATTACHMENTS:**

1. Memorandum
2. Draft Ordinance with Exhibit A
3. Planning Commission Findings
4. Planning Commission Minutes

*NOTE: The TDR/PDR Multi-Stakeholder Work Group Final Report (Oct 2018) is on file at the County Council office.*

SEPA review required?     Yes     NO  
 SEPA review completed?     Yes     NO

Should Clerk schedule a hearing?     Yes     NO

*NOTE: Final approval of these amendments would occur as part of concurrent review of comprehensive plan amendments in 2019.*

**SUMMARY STATEMENT OR LEGAL NOTICE LANGUAGE:** *(If this item is an ordinance or requires a public hearing, you must provide the language for use in the required public notice. Be specific and cite RCW or WCC as appropriate. Be clear in explaining the intent of the action.)*

The Whatcom County Council will consider a proposal to insert the concept of a density credit program into the Whatcom County Comprehensive Plan. A density credit program would allow development incentives, such as increased land use intensity, in exchange for a voluntary contribution towards preserving agricultural lands and open space. The proposal would also amend purchase of development right (PDR) and transfer of development right (TDR) provisions in the Comprehensive Plan.

**COMMITTEE ACTION:**

10/23/2018: Discussed

**COUNCIL ACTION:**

10/23/2018: Introduced 6-0  
 11/7/2018: Forwarded for concurrent review 7-0

**Related County Contract #:**

**Related File Numbers:**

County Planning File #  
 PLN2018-00002

**Ordinance or Resolution Number:**

**Please Note:** Once adopted and signed, ordinances and resolutions are available for viewing and printing on the County's website at: [www.co.whatcom.wa.us/council](http://www.co.whatcom.wa.us/council).

**ORDINANCE NO. \_\_\_\_\_**

**ADOPTING AMENDMENTS TO THE  
WHATCOM COUNTY COMPREHENSIVE PLAN  
RELATING TO DENSITY CREDITS, PDRs, AND TDRs**

**WHEREAS,** The Whatcom County Transfer of Development Right (TDR)/Purchase of Development Right (PDR) Multi-Stakeholder Work Group issued recommendations on the proposed amendments; and

**WHEREAS,** The Whatcom County Planning Commission held a public hearing and issued recommendations on the proposed amendments; and

**WHEREAS,** The County Council considered the TDR/PDR Multi-Stakeholder Work Group and Planning Commission recommendations; and

**WHEREAS,** The County Council hereby adopts the following findings of fact:

**FINDINGS OF FACT**

1. The subject amendments relate to the following Chapters of the Whatcom County Comprehensive Plan:
  - a. Chapter 2 - Land Use;
  - b. Chapter 3 - Housing;
  - c. Chapter 8 - Resource Lands; and
  - d. Chapter 10 - Environment.
2. Notice of the subject amendments was submitted to the Washington State Department of Commerce on April 4, 2018.
3. A Determination of Non-Significance was issued by the SEPA Responsible Official on May 21, 2018.
4. Notice of the Planning Commission hearing for the subject amendments was posted on the County website on June 26, 2018.

5. Notice of the Planning Commission hearing for the subject amendments was published in the Bellingham Herald on June 29, 2018.
6. Notice of the Planning Commission hearing and that the proposal had been posted on the County website was sent to citizen, media, and others on the County's e-mail list.
7. The Planning Commission held a public hearing on the subject amendments on July 12, 2018.

### **Comprehensive Plan Approval Criteria**

8. The criteria of Whatcom County Code (WCC) 22.10.060, shown below, must be satisfied in order to approve a comprehensive plan amendment.
  - a. The amendment conforms to the requirements of Growth Management Act, is internally consistent with the county-wide planning policies and is consistent with any interlocal planning agreements.
  - b. Further studies made or accepted by the department of planning and development services indicate changed conditions that show a need for the amendment.
  - c. The public interest will be served by approving the amendment. In determining whether the public interest will be served, factors including but not limited to the following shall be considered:
    - i. The anticipated effect upon the rate or distribution of population growth, employment growth, development, and conversion of land as envisioned in the comprehensive plan.
    - ii. The anticipated effect upon the ability of the county and/or other service providers, such as cities, schools, water and/or sewer purveyors, fire districts, and others as applicable, to provide adequate services and public facilities including transportation facilities.
    - iii. Anticipated impact upon designated agricultural, forest and mineral resource lands.
  - d. The amendment does not include or facilitate spot zoning.

## **Intergovernmental Coordination / Public Participation**

9. Growth Management Act (GMA) planning goals are set forth in RCW 36.70A.020. The GMA citizen participation and coordination planning goal is to "Encourage the involvement of citizens in the planning process and ensure coordination between communities and jurisdictions to reconcile conflicts" (RCW 36.70A.020(11)).
10. The Whatcom County Council adopted a policy in the Comprehensive Plan in the 2016 update which included convening a multi-stakeholder work group, including the Cities, to examine a variety of transfer of development right (TDR) and purchase of development right (PDR) issues.
11. The County Executive appointed the Whatcom County TDR/PDR Multi-Stakeholder Work Group in February 2017. This Work Group issued recommendations to amend the Whatcom County Comprehensive Plan on October 3, 2018.

## **Growth Management Act / County Comprehensive Plan**

12. GMA planning goal # 1 is to "Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner" (RCW 36.70A.020(1)). Under the GMA, urban growth areas (UGAs) have been designated pursuant to RCW 36.70A.110.
13. GMA planning goal # 2 is to "Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development" (RCW 36.70A.020(2)).
14. GMA planning goal # 8 is to "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)).
15. GMA planning goal # 9 is to "Retain open space, enhance recreational opportunities, conserve fish and wildlife habitat, increase access to natural resource lands and water, and develop parks and recreation facilities" (RCW 36.70A.020(9)).
16. The subject amendments insert the concept of a density credit program in the Whatcom County Comprehensive Plan.
17. Density credits allow development incentives, such as increased density, in exchange for a voluntary contribution towards preserving agricultural lands and open space. This is accomplished through a voluntary payment of funds to Whatcom County for use in the Agricultural Purchase of Development Rights Program (WCC 3.25A) in order to access incentives specifically set forth in the zoning code.

18. The GMA also requires internal consistency within a comprehensive plan (RCW 36.70A.070).

19. Whatcom County Comprehensive Plan policies relating to urban growth include:

Policy 2A-1: Concentrate urban levels of development within designated urban growth areas.

Policy 3C-6: In UGAs, consider easing lot consolidation criteria, increasing density, and decreasing minimum lot sizes, in the interest of serving housing affordability.

Policy 3G-4: Allow development of smaller lots and creative options.

20. Whatcom County Comprehensive Plan goals and policies relating to development in rural and agricultural areas include:

Goal 2DD: Retain the character and lifestyle of rural Whatcom County.

Goal 8A: Conserve and enhance Whatcom County's agricultural land base for the continued production of food and fiber.

Policy 8A-2: Maintain a working agricultural land base sufficient to support a viable local agricultural industry by considering the impacts to farmers and agricultural lands as part of the legislative decision making process. Measures that can be taken to support working farms and maintain the agricultural land base should include:

. . . Maintaining a Purchase of Development Rights (PDR) program that facilitates the removal of development rights from productive farmland and provides permanent protection of those agricultural lands through the use of conservation easements or other legal mechanisms. . .

21. The Whatcom County Comprehensive Plan seeks to retain rural character and conserve agricultural lands. These goals and policies are primarily implemented through the Whatcom County Zoning Code, which restricts the uses and densities allowed in rural and agricultural areas. However, the County also adopted an "*Agricultural Purchase of Development Rights Program*" in 2002 (WCC 3.25A). The purpose of this program is:

To establish a voluntary agricultural purchase of development rights program for Whatcom County which will enhance the protection of the county's farmland, enhance the long-term viability of the agricultural enterprises within the county and provide public benefit by retaining properties in permanent resource use (WCC 3.25A.020).

22. Whatcom County Comprehensive Plan Goal 2F is to "Make use of incentive programs that can effectively encourage achievement of land use goals." Policy 2F-3 is to "Revise regulations to include incentive programs."
23. The subject amendments further the goals and policies of the Whatcom County Comprehensive Plan by seeking to concentrate urban levels of growth in UGAs, increase density, allow smaller lots, and provide creative options for developers in a UGA.
24. The subject amendments further the goals and policies of the Whatcom County Comprehensive Plan by providing developer incentives to voluntarily contribute funds that would be utilized in the Agricultural Purchase of Development Rights Program, thereby helping to preserve rural character and agricultural lands.
25. In the past, the Agricultural Purchase of Development Rights Program has received matching funds (primarily from the federal government). Therefore, the potential exists to leverage additional matching funds with dollars from the new density credit program.
26. The subject amendments address a density credit program, providing incentive provisions that are entirely optional. A developer may choose to develop at the existing base densities allowed by a given zoning district. Alternatively, a developer may choose to utilize the incentives that allow increased land use intensity on a site through the purchase of density credits.
27. The subject amendments are internally consistent with the goals and policies of the Whatcom County Comprehensive Plan by promoting a voluntary program that would allow incentives, such as increased land use intensity, in designated areas while contributing to preservation of rural and agricultural lands.

### **County-Wide Planning Policies**

28. Countywide Planning Policies include the following:
  - C-5 Urban Growth areas should be established in a way that preserves agricultural land, forestry, mineral resources, water resources, and critical areas. Urban growth shall maintain proper buffers from natural resource areas to minimize conflicts with natural resources and industries based on them.
  - D-4 Existing cities should absorb additional population at a range of densities appropriately responsive to the city's community vision before extending city Urban Growth Areas into areas where growth would adversely impact critical areas and resource lands. . .

- D-5 All cities should grow in an efficient manner while maintaining their character and, where reasonable, shall provide for adequate open space between cities to prevent strip development.
  - D-6 Cities should be encouraged to provide positive incentives for in-fill.
  - E-2 Non-city urban growth areas, for already urbanized unincorporated residential areas shall be encouraged to infill in a way that will facilitate efficient provision of facilities and services consistent with the scale of development.
  - H-1 Adequate open space is vital to the quality of life and sense of place in Whatcom County. The county, cities, Port of Bellingham, and other appropriate jurisdictions should coordinate protection of linked greenbelts, within and between Urban Growth Areas, parks, and open space to protect wildlife corridors and to enhance recreational opportunities, public access and trail development.
  - H-3 The county and the cities shall encourage, to the extent it is feasible, separation of Urban Growth Areas through planning, zoning, development regulations, open space purchase, conservation easements and other mechanisms which may be appropriate. Also, an array of incentives such as density bonuses, design flexibility and transferable development rights shall be offered to affected land owners.
  - I-9 The County and the cities recognize the need for the protection and utilization of natural resources and resource lands including agricultural, mineral, forestry and fishing. As part of a broad based economy, productive timber, agriculture and fisheries industries should be supported in a sustainable manner.
29. The density credit policies would encourage increased densities in urban areas and contributions towards preservation of rural and agricultural lands.

### **Interlocal Agreements**

30. Whatcom County and cities have interlocal agreements that address TDRs, PDRs, and in lieu fee programs. The subject amendments do not conflict with these interlocal agreements.

### **Further Studies/Changed Conditions**

31. The Whatcom County TDR/PDR Multi-Stakeholder Work Group Final Report was issued on October 3, 2018

32. The primary recommendation in the TDR/PDR Multi-Stakeholder Work Group Final Report (October 2018) is to transition from a traditional TDR program, which has not worked well in the past, to a density credit program. In a density credit program, a developer pays cash to receive development incentives instead of purchasing TDRs. The cash can provide supplemental funding to protect agricultural and rural areas. The density credit model is a simple and efficient tool that could allow increased development in cities, UGAs, and other designated areas while providing additional funding for purchasing development rights in agricultural and rural areas and, potentially, for city amenities.

### **Public Interest**

33. The public interest will be served by approving the amendment.
  - a. The density credit program would encourage development in UGAs, thereby potentially facilitating population growth in these areas as envisioned in the Comprehensive Plan.
  - b. Prior to actual development, review would be conducted to ensure that service providers are able to provide adequate services and public facilities.
  - c. The density credit program is intended to conserve designated agricultural lands, as envisioned in the Comprehensive Plan.

### **Spot Zoning**

34. The subject Comprehensive Plan amendments do not include nor facilitate spot zoning.

### **CONCLUSION**

The subject Whatcom County Comprehensive Plan amendments are consistent with the approval criteria in WCC 22.10.060.



NOW, THEREFORE, BE IT ORDAINED by the Whatcom County Council that:

Section 1. The Whatcom County Comprehensive Plan is hereby amended as shown on Exhibit A.

Section 2. Adjudication of invalidity of any of the sections, clauses, or provisions of this ordinance shall not affect or impair the validity of the ordinance as a whole or any part thereof other than the part so declared to be invalid.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

WHATCOM COUNTY COUNCIL  
WHATCOM COUNTY, WASHINGTON

ATTEST:

\_\_\_\_\_  
Dana Brown-Davis, Council Clerk

\_\_\_\_\_  
Rud Browne, Chairperson

APPROVED as to form:

( ) Approved ( ) Denied

  
\_\_\_\_\_  
Civil Deputy Prosecutor

\_\_\_\_\_  
Jack Louws, Executive

Date: \_\_\_\_\_

# Exhibit A – Comprehensive Plan Amendments

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## Chapter 2 (Land Use)

Policy 2A-14: Maintain a density credit program to incentivize increased land use intensity in designated areas and decrease residential density in agricultural and rural areas by authorizing density credits. Density credits allow development incentives, such as increased density, in exchange for a voluntary contribution towards preserving agricultural lands and open space. This is accomplished through a voluntary payment of funds to Whatcom County for use in the Agricultural Purchase of Development Rights Program (WCC 3.25A) in order to allow a higher density as specifically set forth in the Whatcom County Zoning Code.

~~Strive to establish by December 2017 a clear, predictable, and fair process for allowing expansion of urban growth areas that considers reasonable measures to mitigate the impacts of residential development in rural lands, agricultural areas (broadly defined), and sensitive watersheds. This process should include:~~

- ~~1. Consultation with a focus group of potential TDR/PDR users in the building industry.~~
- ~~2. Convening a multi-stakeholder work group, including the Cities, tasked with:~~
  - ~~• Reviewing the current TDR and PDR programs.~~
  - ~~• Identifying political, financial, and regulatory barriers to effective TDR and PDR programs.~~
  - ~~• Identifying opportunities and solutions for creating a workable TDR program.~~
  - ~~• Identifying mechanisms to create a PDR fund that could be used to protect important agricultural and rural lands.~~
  - ~~• Recommending policy and regulatory amendments necessary to implement the above policy.~~
  - ~~• Identifying proposed sending areas in critical areas, the Agricultural Zone, and the Rural Study Areas.~~
  - ~~• Identifying receiving areas.~~

- ~~Identifying other factors and/or growth management tools.~~
  - ~~Exchangeable development rights that have economic value, with the potential for multiple methods of assigning and converting value.~~
  - ~~Interlocal agreements that grant economic value to exchangeable development rights and that insure development rights can be used in receiving areas.~~
3. ~~Based upon the findings of the multi-stakeholder work group, consider strategies that could require purchase, transfer or otherwise incentivize removal of potential development rights from rural or resource lands in exchange for UGA expansions and other upzones.~~

Rationale: In November 2017, the Whatcom County Council adopted a density credit program applicable to portions of the Birch Bay UGA (Ordinance 2017-062). The proposed Comprehensive Plan amendments would shift the emphasis in County Policy from a traditional TDR program, which has not worked well over the years, to the density credit program. Advantages of a density credit program, compared to a traditional TDR program, include:

- Developers know the cost up front;
- Developers do not have to find and negotiate with a willing TDR seller(s);
- Local government can use the cash on their highest preservation priorities (rather than the developer choosing where to buy TDRs within the sending area);
- The cash can be utilized in an existing PDR program (and the cash may be part of local matching funds used to leverage additional federal funding);
- Simplifies administration of the program. Reduces the time and resources needed to administer the program;
- Provides similar benefits as a traditional TDR program; and
- Jurisdictions don't need to determine sending/receiving area ratios.

Summarized from *The TDR Handbook: Designing and Implementing Transfer of Development Rights Programs* by Nelson, Pruetz, and Woodruff, 2012, pp. 45 and 47).

Additionally, the TDR/PDR Multi-Stakeholder Work Group will issue recommendations in 2018. It is anticipated that the County Council will make a final decision on these Comprehensive Plan amendments in 2019, after the Work Group completes its work.

Policy 2F-4: Review and adopt, where appropriate, incentive programs such as ~~cluster~~-density bonuses in urban growth areas in association with the density credit program, purchase of development rights, transfer of development rights, and tax deferrals.

Rationale: This change incorporates a reference to the density credit program. New density bonus provisions in UGAs, if priced appropriately, can provide a win-win situation where a developer has the potential for increased profit while simultaneously contributing to the removal of development rights in rural or agricultural areas through the County's PDR program.

Policy 2H-2: Establish incentive programs such as ~~cluster~~-density bonuses in urban growth areas in association with the density credit program; and purchase of development rights, and voluntary, workable transfer of development rights, where appropriate, to compensate property owners if rights are unduly infringed.

Rationale: This change reflects the proposed shift in emphasis from the traditional TDR program to the density credit program.

Policy 2N-3: Consider development incentives, such as density bonuses, in cities and UGAs in association with the density credit program as receiving areas for development rights transferred from sending areas. Encourage cities to consider development incentives in association with a cooperative City-County density credit program.

Rationale: This change reflects the proposed shift in emphasis from the traditional TDR program to a density credit program. It also encourages cities to establish density credit programs in conjunction with the County.

Policy 2U-5: Review and update the interlocal agreement with Bellingham, prior to expiration of the current interlocal agreement, to provide for:

- Coordinated growth management and capital facility planning;
- timing and provision of utility services and other urban services;
- timing and procedures to be used for review of adequate land supply;
- timing of annexations;
- revenue sharing formulas prior to and after annexation;
- development standards and regulations;

- joint City/County review of development proposals in the UGA;
- affordable housing; and
- a density credit program and/or transfer of development rights within the City of Bellingham.

Rationale: The existing interlocal agreement between Whatcom County and the City of Bellingham is valid through the year 2022. When the interlocal is updated in 2022, it should reference a density credit program. The City of Bellingham already has a fee in lieu program (City Resolution 2009-024), which is essentially the same as a density credit program. This policy also recognizes that TDRs from the Lake Whatcom Watershed have been certified in the past. Therefore, the reference to TDRs should be maintained until all of these development rights have been utilized/extinguished.

Policy 2U-7: Whatcom County and Bellingham should designate areas that can accommodate density bonuses in association with a density credit program and/or receiving areas within the City of Bellingham and its UGA for Transfer of Development Rights from the Lake Whatcom Watershed.

Rationale: The City of Bellingham already has a fee in lieu program (City Resolution 2009-024), which is essentially the same as a density credit program. This policy also recognizes that TDRs from the Lake Whatcom Watershed have been certified in the past. Therefore, the reference to TDRs should be maintained until all of these development rights have been extinguished.

Policy 2DD-10: Adopt and maintain incentive programs, such as purchase of development rights, the density credit program,~~transfer of development rights,~~ and tax deferrals, to achieve desired land use policies in rural areas and in areas where there are compelling reasons to do so.

Rationale: This change reflects the proposed shift in emphasis from the traditional TDR program to the density credit program.

Policy 2UU-4: Support the retention of open space and open space corridors through the use of education and incentives, such as purchase ~~or transfer~~ of development rights, density bonuses within UGAs in association with the density credit program, cluster development, and acquisition of easements.

Rationale: This change reflects the proposed shift in emphasis from the traditional TDR program to the density credit program. New density bonus provisions in UGAs, if priced appropriately, can provide a win-win situation where a developer has the potential for increased profit while simultaneously contributing to the removal of development rights in rural or agricultural areas through the County's PDR program.

Policy 2UU-6: Improve public access to shorelines and other lands using such mechanisms as purchase ~~or transfer~~ of development rights, density bonuses within UGAs in association with the density credit program, and open space tax status.

Rationale: Same as rationale for Policy 2UU-4 above.

### Chapter 3 (Housing)

Policy 3F-1: Include incentives in land use regulations, in UGAs and in Planned Unit Developments (PUDs), to offset the reduced profit inherent in more affordable types of housing. Incentives might include ~~transfer of development rights~~, density bonuses, fee waivers, expedited permit review, and/or infrastructure concessions to protect developers wherever special needs populations are specifically served.

Rationale: This change reflects the shift away from a traditional TDR.

### Chapter 8 (Resource Lands)

Policy 8A-2: Maintain a working agricultural land base sufficient to support a viable local agricultural industry by considering the impacts to farmers and agricultural lands as part of the legislative decision making process. Measures that can be taken to support working farms and maintain the agricultural land base should include:

- Maintenance of 100,000 acres of agricultural land to support a healthy agricultural industry.
- A density credit program where development incentives are offered in cities and/or UGAs if density credits are purchased by the developer. Funds from the density credit program would supplement the existing Purchase of Development Rights (PDR) program funding. ~~workable transfer of development rights program (TDR) in which the development potential of a site could be transferred to another location where development is more favorable.~~
- ~~The workable TDR program shall give priority to the creation of economically viable receiving areas.~~

Rationale: This change reflects the proposed shift in emphasis from the traditional TDR program to the density credit program. It recognizes that monies taken in through the density credit program would go towards reducing development potential in areas suitable for agriculture.

- Developing a marketplace approach to strengthening agricultural practices while enhancing larger-scale watershed processes and functions by identifying feasible opportunities on agricultural land to improve both watershed health and agricultural viability and developing incentives and tools to compensate farmers for actions that exceed minimum regulatory standards.
- Maintaining a Purchase of Development Rights (PDR) program that facilitates the removal of development rights from productive farmland and provides permanent protection of those agricultural lands through the use of conservation easements or other legal mechanisms.
- Incentives and cooperation between landowners and public agencies such as the use of the current use tax assessment provisions.
- Implementing land use policies that encourage farming on Rural lands of high agricultural productivity and potential.
- Discouraging conversion of designated agricultural lands to non-agricultural uses.
- Track acres lost due to conversion, development, or policy implementation such as critical areas ordinance, so mitigation strategies can be implemented to offset the acres lost.
- Education and marketing of programs that emphasize recognition of the local and regional significance of agricultural land as a natural resource and the economic, social and ecological benefits it provides.
- Working cooperatively with local farmers and coordinating with local and state agencies to address water quality impacts of agricultural activities on local streams and groundwater.
- Securing an adequate, sustainable, and legal supply of irrigation water sufficient to support the long-term viability of the local agricultural industry.
- Identify and evaluate any new or changed zoning or comprehensive plan agricultural lands of long term commercial significance designations as needed or warranted for the Rural Study Areas.
- Economic development assistance to agricultural-related enterprises.
- Recognize regulatory impacts and encourage farm friendly regulations.

## **Chapter 10 (Environment)**

Policy 10C-3: Emphasize an approach to environmental protection by encouraging the use of conservation easements, open space taxation, land acquisition, purchase/voluntary, ~~workable transfer~~ of development rights, the density credit program, and other mechanisms that assist affected property owners.

<p>Rationale: This change reflects the proposed shift in emphasis from the traditional TDR program to the density credit program.</p>
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Policy 10E-6: Maintain a comprehensive program of regulatory and non-regulatory mechanisms to achieve Natural Hazard goals and policies. This program should include such mechanisms as education, tax incentives, zoning, land use regulations, conservation easements, purchase of development rights, ~~transfer of development rights,~~ and public acquisition.

Rationale: This change reflects the shift away from a traditional TDR. It does not reference the density credit program, because funds from density credits will go towards preserving rural and agricultural lands and are not specifically targeted towards naturally hazardous areas.

Policy 10L-16: Consider ~~establishing~~ important habitat areas (as set forth in best available science and Wildlife Advisory Committee recommendations) in the Purchase of Development Rights Program Guidelines site evaluation criteria. ~~as sending areas after creating a voluntary, workable transfer of development rights (TDR) program.~~

Rationale: This change reflects the shift away from a traditional TDR. It also recognizes that the existing PDR Program Guidelines "site evaluation" criteria include conservation values such as wildlife habitat.

Policy 10P-17: Consider establishing the Drayton Harbor Watershed as an area for directed PDR investments and encourage the cities of Blaine and Ferndale to establish density credit programs that provide funding to the County PDR program. ~~sending area when considering a transfer of development rights (TDR) program.~~

Rationale: This change reflects the proposed shift in emphasis from the traditional TDR program to the density credit program. It also encourages a cooperative effort between the County and cities that would provide developer incentives in the cities while reducing development potential in the rural and/or agricultural areas of the Drayton Harbor Watershed.