

## Chapter Three Housing

### Introduction

Housing is not only a basic human need; it is a fundamental building block in the development of strong communities. The quality, price and availability of housing have far reaching effects. Housing is an issue of equity, and a healthy community strives to provide housing affordable to households at all income levels.

Every community and neighborhood needs a healthy mix of housing sizes, types and prices, affordable at the wages of the jobs nearby. A balanced mix will have housing costs in sync with wages and incomes.

### Purpose

The purpose of this housing element is to consider future needs for housing in Whatcom County by examining existing housing patterns, projected population growth, and most-likely growth scenarios, and to suggest realistic ways to provide for those housing needs within the wishes of county residents, sound public policy, and within the mandates of the Washington State Growth Management Act (GMA).

### GMA Goals and Countywide Planning Policies

Realization of all the thirteen Growth Management Act goals is fostered by the goals, policies, and action plans in this chapter. Those directly relating to housing will be met with successful adoption of this comprehensive plan chapter. This chapter has been written to satisfy those goals while also meeting the intent of the County-Wide Planning Policies (CWPP) and general guidelines of Visioning Community Value Statements. CWPP's direct the county and its cities to ensure a balance of housing and economic growth consistent with diverse income levels and allowing for a range of housing types and costs. Further, the county and cities can employ innovative techniques providing for a variety of housing types: single-family-detached, multifamily building for both ownership and rental, accessory dwelling units (ADUs), manufactured and modular homes, manufactured and mobile home parks, along with mixed use and increased densities as affordable housing alternatives. Visioning Community Value Statements identify the importance of affordable housing and encourage even distribution of housing affordability and a mix of housing types throughout the county. Growth Management goals, Visioning Community Value Statements, and County-Wide Planning Policies will be served by adoption and implementation of this chapter.

### GMA Requirements

In accordance with RCW 36.70A.070 the Growth Management Act requires that a housing element:

- Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;

- Includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences;
- Identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multi-family housing, and group homes and foster care facilities; and
- Makes adequate provisions for existing and projected housing needs of all economic segments of the community.

### **Background Summary**

Comprehensive plans have been developed for Whatcom County and each of the cities that lie within its boundaries. Each of these plans contains a housing element that addresses the housing needs of each jurisdiction and offers suggestions for changes that could occur to help meet these needs.

This chapter will overlap many of the ideas put forth in those plans—the problems perceived in each community, their changing demographics, and the directions the communities seem willing to go to improve the overall situation. It also incorporates a recent study, the *Whatcom County Housing Analysis 2015*.

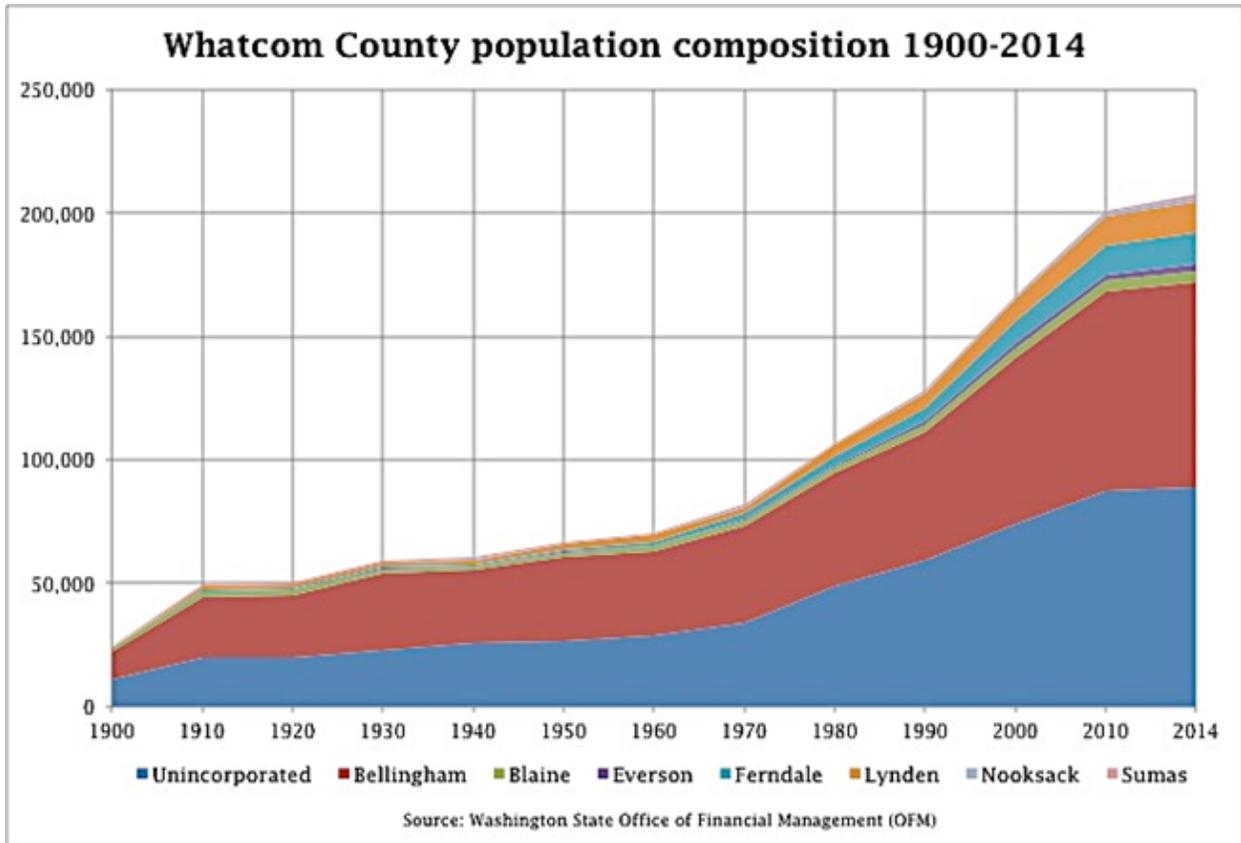
### **Demographic Overview**

Whatcom County demographics in general are similar to Puget Sound within the municipal jurisdictions (Bellingham in particular), reflecting the county’s continuing urbanization along the I-5 corridor. Western Washington University, Port of Bellingham, Cherry Point, and other major regional enterprises have influenced employment, housing, services, and other facilities that have attracted age-specific populations and households.

Even so, Whatcom County in total is less urban than Puget Sound with more base industry (agriculture, forestry, and manufacturing) employment, lower incomes, high housing costs, and less ethnic, non-English speaking populations.

Specific jurisdictions within Whatcom County reflect the iterative influence of age and household-specific relationships to employment, housing, and services. Where Nooksack, for example, is predominantly married couple family, single-family housing stock, owner occupied, and car dependent; whereas Bellingham includes more non-family households, multifamily housing stock, renter occupied, and sees more bike/transit commuting.

Whatcom County’s population is growing steadily. A large portion of our growth is attributable to in-migration as opposed to birth rate. Washington State Office of Financial Management (OFM) projects the number of net migrants into the county will increase from 5,313 persons between 2010-2015 to 14,028 persons 2035-2040. In addition to increasing the number of people living in the County, in-migration is resulting in changes to its demographic makeup. Increased minority, retirement-age, college age and single-parent household populations characterize demographic changes resulting from in-migration.



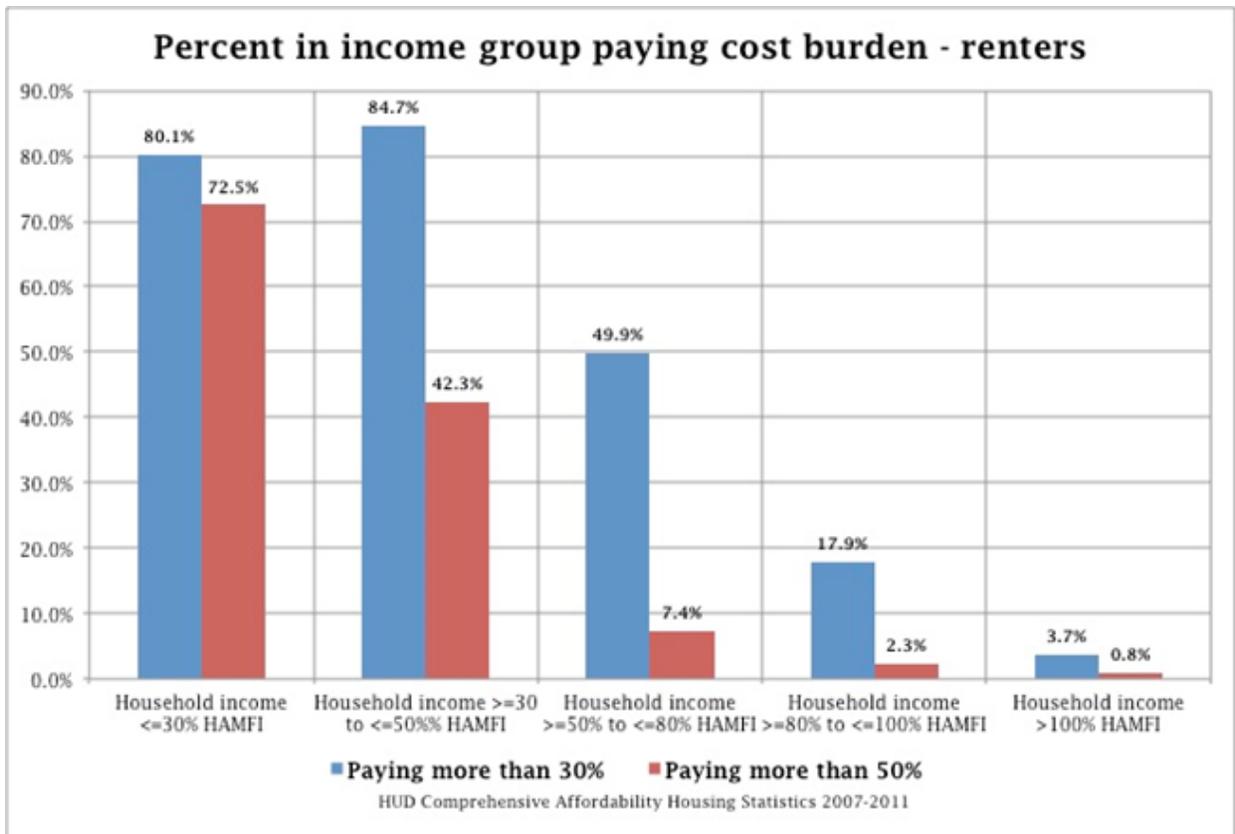
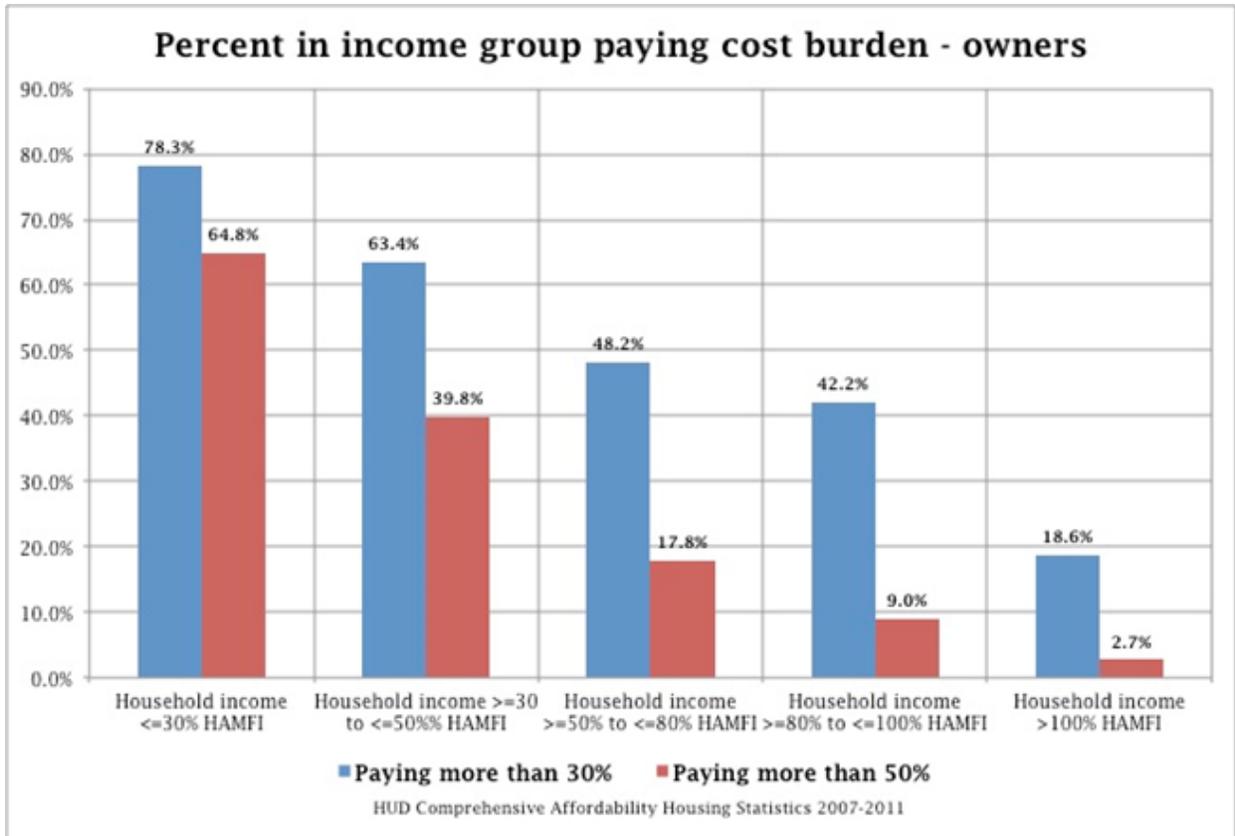
Whatcom County’s future demographics, particularly the composite social characteristics of each municipal jurisdiction, will largely depend on how specific demographic groups are attracted to each municipal jurisdiction by each jurisdiction’s unique economic, land use, transportation, housing conditions, and public policy.

Please see *Whatcom County Housing Analysis 2015* for more information on demographics.

**Income Distribution**

Statistics have shown that as housing prices increased at a faster rate than household incomes, so decreased the ability of Low- to Moderate-Income (LMI) populations to obtain decent housing in Whatcom County.

Significant percentages of extremely low, very low, and low-income households in Whatcom County are paying more for ownership and rent than they can feasibly afford to pay and still have sufficient income for transportation, health care, clothing, food, and the like. Housing cost burdened households are most prevalent in the lowest income groups but remain a problem in all income groups, particularly those paying more than 50% of income for housing. See the charts below for the percentage of each income group which are housing cost burdened.



Note: HAMFI is HUD’s Average Median Family Income.

Please see *Whatcom County Housing Analysis 2015* for more information on income distribution and housing cost burden.

### Needs

Innovative housing solutions are needed to provide enough housing units to accommodate the County’s growing housing needs. By the end of the 20-year planning period, Whatcom County will likely experience substantial growth.

While there are many programs that address affordable housing issues in Whatcom County, a growing number of households are in need of assistance, causing increased competition for existing resources. Many of these resources are not available to some jurisdictions that do not meet all of the necessary criteria or cannot produce the required matching funds to participate in certain programs.

Between 1990 and 2000, Bellingham’s multi-family housing experienced a 65% increase. In 2009, multi-family housing comprised 50% of the housing in the City. Concern that an increase in rental units may pose a challenge to community development has been expressed in Bellingham’s Consolidated Plan, as rental tenants move frequently.

Accommodating our future housing need will require substantial effort and planning. There is an increasing need for all forms of affordable housing including multi-family housing and smaller single-family houses constructed on smaller lots.

### Market Inventory and Analysis

It is important to address population growth impacts and housing requirements in Whatcom County over the next 20-year planning period. Comparing the planned (allocated) growth in Table 1 with the UGA population capacities in Chart 1, and comparing the supply of single- and multi-family dwellings in Chart 2 with the projected housing needs in Chart 3, it appears Whatcom County’s UGAs can accommodate both the number and types of dwellings needed in the next 20 years. It is important to note that the projected housing needs shown in Chart 3 are based on the assumption that the 2000-2013 growth distribution among housing types will continue. That distribution may change as a result of changing market conditions or jurisdictions’ land use planning policy choices.

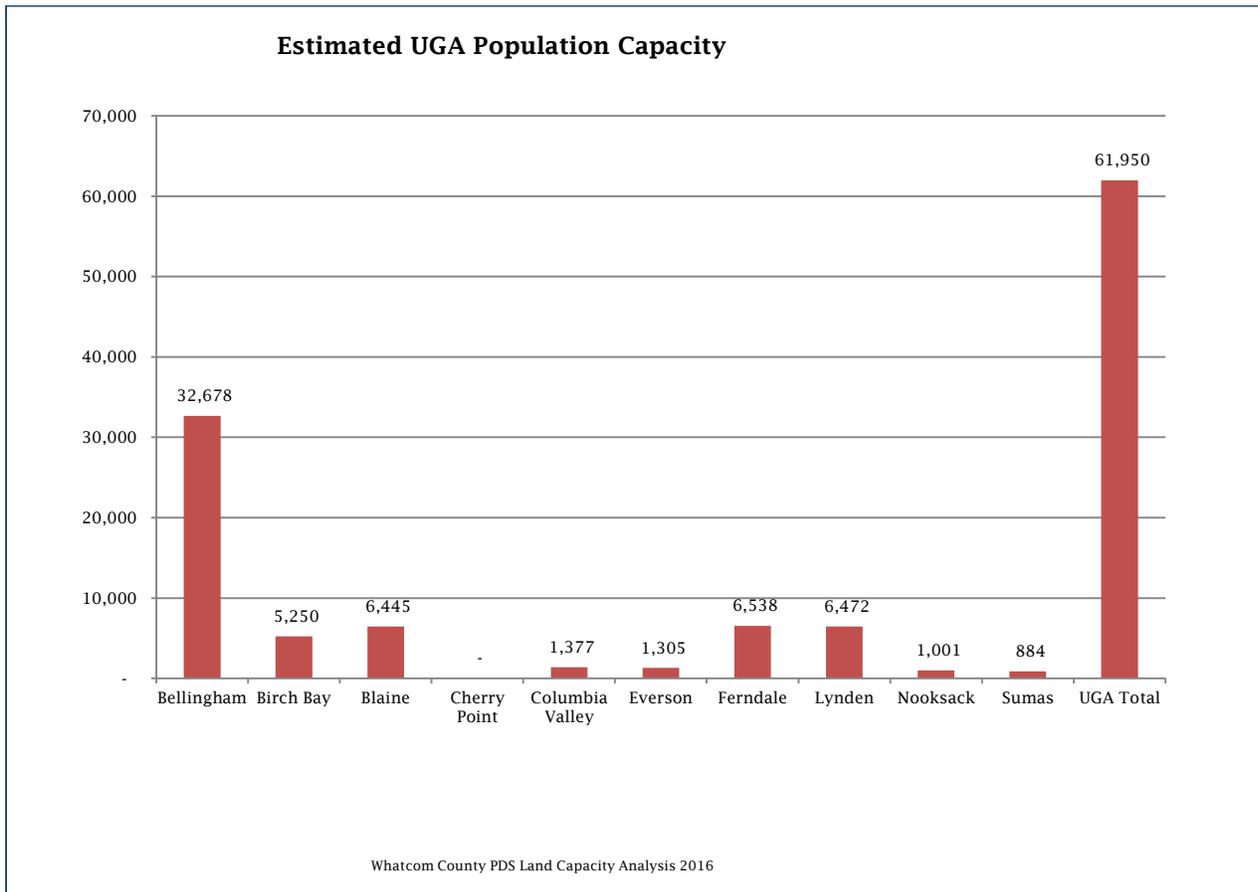
**Table 1. Whatcom County Population Allocations 2013-2036**

	2013	2036	Projected Growth	Percent of County Growth
<b>Bellingham</b>	92,660	123,710	31,050	44.6%
<b>Birch Bay</b>	7,540	12,822	5,282	7.6%
<b>Blaine</b>	5,171	9,585	4,414	6.3%

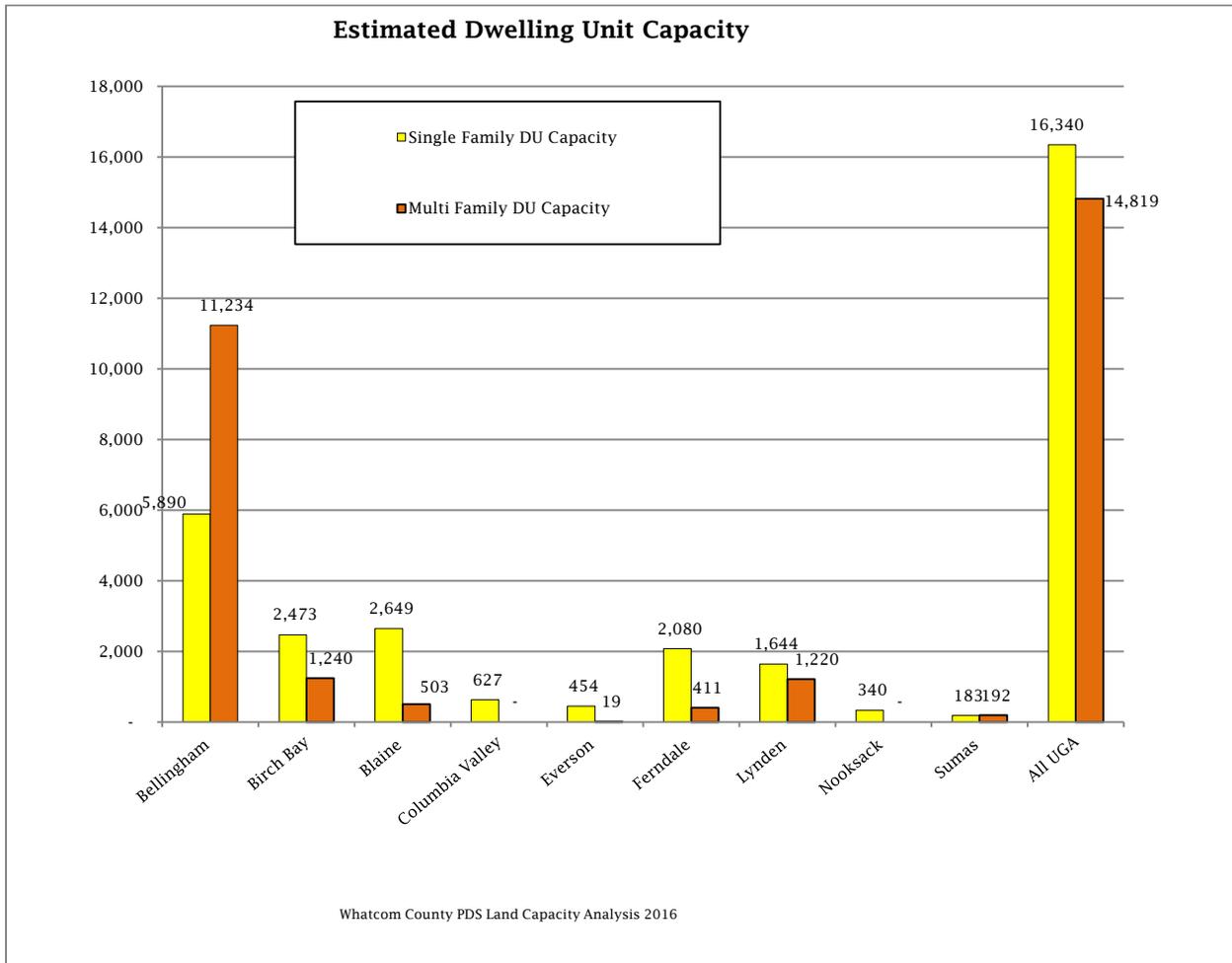
	2013	2036	Projected Growth	Percent of County Growth
<b>Columbia Valley</b>	3,103	4,448	1,345	1.9%
<b>Everson</b>	2,665	3,907	1,242	1.8%
<b>Ferndale</b>	12,758	19,591	6,833	9.8%
<b>Lynden</b>	12,872	19,275	6,403	9.2%
<b>Nooksack</b>	1,435	2,425	990	1.4%
<b>Sumas</b>	1,449	2,323	874	1.3%
<b>Non-UGA</b>	66,104	77,321	11,217	16.1%
<b>Total</b>	205,800	275,450	69,650	100.0%

Source: 2016 proposed population allocations. 2013 and 2036 totals include existing population in the Cherry Point Major Port Industrial UGA, to which no population growth is allocated.

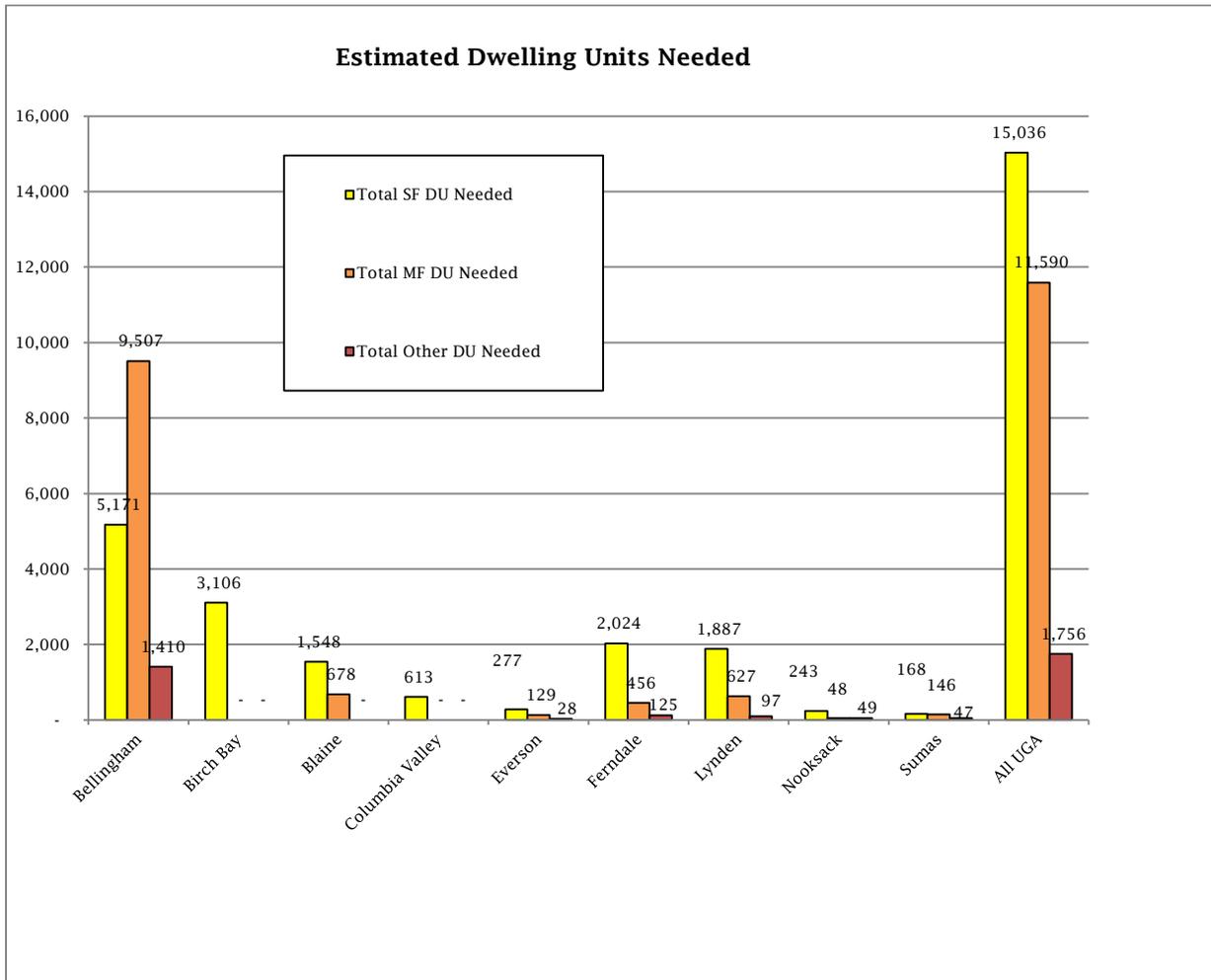
**Chart 1**



**Chart 2**



**Chart 3**



OFM 2000-2013 Housing Permit Data; WCCP Population Growth Projections

**Issues, Goals, and Policies**

In order to offer appropriate and affordable housing for everyone in the County, programs and policies designed to meet a variety of housing needs can be implemented. With the right mix of policy decisions and local programs, we can increase the supply of affordable housing and offer a variety of housing choices, thereby strengthening our communities. Thousands of Whatcom County households do not live in affordable housing. Looking ahead, the incomes of working people in Whatcom County will make affordability one of the County’s biggest challenges. Both public and private investments can be directed into housing that ensures that low- to moderate-income people will be able to continue to live near where they work in the community. (According to the US Department of Housing and Urban Development, in 2015, in Whatcom County a family of four earning \$54,100 was considered low-income, while the median income for a family of four was \$67,600).

**Adopting an Ambitious but Achievable Affordable Housing Goal to achieve an adequate supply of housing types that are affordable.**

Whatcom County and its cities might consider adopting a HOUSING GOAL that sets the bar at a high but achievable level:

*"By the year 2036, every community and neighborhood has a healthy mix of housing sizes, types and prices, affordable at the wages of the jobs nearby. A balanced mix of housing will have housing costs in sync with wages and incomes in the community."*

To achieve this overarching goal, the following goals and policies are adopted:

**Permitting Process Efficiency**

Building codes and zoning ordinances, in part, influence costs of development and construction of housing. The permitting processes require time (raising finance costs), fees, and the personal time investment of parties involved. Building plan reviews increase cost and time. Local plans checking of non-commercial development by county officials could save time and money. A budget that allows adequate staff is necessary to minimize processing time. Also, to the extent possible, regulatory predictability and certainty in the processes required of the private sector will contribute to its willingness to contribute to housing affordability.

**Goal 3A: Minimize the time required for processing housing-related development and construction permits in the interest of overall cost reduction.**

Policy 3A-1: Streamline and simplify existing and proposed permitting processes.

Policy 3A-2: Educate interested parties in the permitting processes required for land use actions using easy to understand publications such as brochures, handouts, workshops and websites readily available to the public.

Policy 3A-3: Consistently apply the International Building Codes.

**Mixed Land Uses with Appropriate Buffering and Siting Criteria**

Where feasible, mixed land uses should be encouraged. The concept of encouraging housing near employment and siting employment near the work force is well-accepted and logical. Housing, transportation, and employment-base needs are well-served by this proximity; it is desirable from public, employer, employee, and public service perspectives. Incompatible uses such as heavy, noisy, or noxious industrial facilities adjacent to residential uses should continue to be discouraged. Some non-polluting, low-impact types of light industrial uses such as computer or medical equipment assembly, which could be large-scale but not environmentally or aesthetically offensive, could, with some buffering, be perfectly acceptable and probably desirable near residential development. Design standards and funding sources will be needed to fully explore the potential for mixed use since, in some instances, lenders are reluctant participants in mixed-use projects.

County-Wide Planning Policies, Visioning Community Value Statements, preservation of agricultural lands and environmentally sensitive areas, the comprehensive plan, and zoning regulations generally prescribe preferred locations for housing a growing population of county residents. Various levels of affordability and types of housing are needed and must be somehow blended into locational constraints.

Subsidized housing, homeless housing, transient, emergency, and special needs housing are all part of the affordability riddle, and in some instances a major part. Residents currently possessing safe and decent housing may not fully understand the scope of the housing problem and they may tend not to want housing for less advantaged households near them. In that regard, the location of affordable housing can be as difficult an issue as funding. Many people who do not want rural sprawl also do not want in-fill near them.

**Goal 3B: Support residential housing near employment opportunities and transit.**

Policy 3B-1: Enable and support housing development opportunities integral with, and near, compatible industrial and commercial activities and transit.

Policy 3B-2: Establish commercial zoning regulations that accommodate residential uses at a density higher than surrounding residential or rural zoning provided adequate transportation access and services are available.

Policy 3B-3: Establish industrial zoning regulations that accommodate temporary residential uses at a density higher than surrounding residential or rural zoning provided adequate transportation access is available.

Policy 3B-4: Residential development adjacent to major transportation routes may require buffering.

**Goal 3C: Create opportunity for a broad range of housing types and encourage mixed affordability.**

Policy 3C-1: Support lot clustering, varied lot sizes, small-scale multi-family dwellings, accessory housing, especially accessory dwelling units (ADUs) in single-family zoning, and reductions in infrastructure requirements for subdivisions as incentives for development of housing obtainable by purchasers with the greatest possible mix of needs and household incomes.

Policy 3C-2: Support programs in which residents participate in the construction of their own home.

Policy 3C-3: Support development of manufactured and mobile home parks and establish design criteria that will enable them to fit into the surrounding community.

- Policy 3C-4: Develop zoning criteria in order to appropriately site group homes and accessory dwelling units within county residential urban growth areas.
- Policy 3C-5: Review any changes to regulations affecting the provision of housing for current housing preferences and needs.
- 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 3C-7: Coordinate with the cities to ensure efficient development in UGAs including, for example, appropriate public utility extension and annexation policies, and consideration of cost allocation to provide urban capital facilities.
- Policy 3C-8: Encourage adequate urban land supply to provide for a broad range of housing types commensurate with residential market demand.

**Access to Housing**

Changing demographics demand flexibility in siting, regulating, and designing future housing stocks. Family size, household size, proximity to employment and services, living space requirements due to cultural preferences, immigration patterns, and other factors contribute to changes in the type, number, and location of housing opportunities required for the future. The demographic makeup of Whatcom County's population can logically be expected to change over time through the 20-year Growth Management Act planning period.

While the upper ends of the housing scale are normally well-served by the developers of housing projects, other housing needs are frequently overlooked or neglected. Making housing affordable and accessible in all residential areas will help integrate these groups of people into the larger community.

Housing appropriate for those with temporary, transitional, emergency, and special needs is available only on an exceptional basis. Population growth will directly affect the number of people seeking such shelter.

Prior to adoption of the comprehensive plan, Whatcom County considered ordinance amendments allowing for easier and better provision of migrant worker housing. Difficult issues associated with the amendments such as water, sewer, and other health concerns caused them to be tabled while an accessory housing ordinance allowing development of detached second dwelling units was adopted. Nevertheless, those farm worker housing amendments must proceed to provide some relief for this important housing need.

**Goal 3D: Encourage adequate housing types at every income level.**

- Policy 3D-1: Participate with other local, state, and federal agencies, non-profit organizations, and jurisdictions to provide housing options for all income levels by considering donating land, providing expertise, expediting permits, and other appropriate mechanisms.

- Policy 3D-2: Enable the ability of the farmer to provide housing for all agricultural workers.
  - Policy 3D-3: Support programs which assist agricultural workers seeking affordable housing opportunities.
  - Policy 3D-4: Consider establishing a housing development fund, accessible to individuals qualified for affordable housing assistance who are legal residents of the county, administered by an agency and funded by contributions from developers wishing to utilize affordable housing incentives and bonuses, but not wishing to include affordable housing in the project receiving the incentives or bonuses.
- Goal 3E: Provide for future housing needs by responding to changing household demographics.**
- Policy 3E-1: Review and revise existing regulations to identify inhibitions to housing for the varying preferences of those needing housing. Focus on population segments with particular needs such as temporary, transitional, or emergency housing.
  - Policy 3E-2: Evaluate all new regulations or codes developed at the county level to ensure they accommodate housing preferences and needs existing at that time.
  - Policy 3E-3: Encourage financial institutions to participate in creative housing solutions which respond to changing demographics and needs.
  - Policy 3E-4: Support the development of housing specifically for young adults, seniors, groups, and single parents.

**Incentives for Affordability**

Profit generally drives the production of most housing. Some types of housing, particularly some of the more affordable types, are less profitable to build. If the private sector is expected to play a part in the provision of affordable, obtainable housing, there must be incentives encouraging them to do so.

**Goal 3F: Provide incentives to create affordable 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 density bonuses, fee waivers, expedited permit review, and/or infrastructure concessions to protect developers wherever special needs populations are specifically served.
- Policy 3F-2: Review accessory housing regulations for effectiveness and appropriateness and revise when necessary.
- Policy 3F-3: Support innovative housing ideas including co-housing (essentially a micro-community with some centralized facilities), elder cottages (housing units for healthy but aging family members), accessory dwelling units (ADUs) in single family

zoning of all jurisdictions, including cottage designs available at planning department front desk, and shared living residences or group quarters in UGAs, and educate the public about them.

- Policy 3F-4: Support existing agencies which provide for, or provide assistance in obtaining, low- or no-interest loans for those needing assistance to purchase homes.
- Policy 3F-5: Study the new innovative programs and policies in other urban areas within our region, particularly Seattle, Portland and Vancouver BC, relating to the use of ADUs and Detached Accessory Dwelling Units (DADUs).
- Policy 3F-6: Develop outreach materials that explain the advantages to the community of ADUs and DADUs such as the ability for residents to derive supplemental income, to age-in-place, provide accommodation for an aging parents and the reduction of the tax burden that results when the cost of providing public services is shared across a larger number of residents etc.
- Policy 3F-7: Work with the cities to develop ADU and DADU policies and programs that encourage infill within urban areas where transportation, public facilities, and utilities already exist.
- Policy 3F-8: Explore and consider various financial incentives and funds to support affordable housing.

**Regulatory Controls**

Many forces act to inhibit the availability of affordable housing. Among these are regulatory controls, including zoning, subdivision regulations, development standards, and critical areas requirements. In addition, growth management itself implies some restrictions to affordable housing, by excluding land from development by focusing growth in urban areas, avoiding environmentally sensitive areas, and other ways. Mechanisms are needed to balance these inhibitions to affordability, such as design variety promoted through covenants, conditions, and restrictions, relaxed infrastructure requirements, and zoning.

**Goal 3G: Identify and remove impediments to affordable housing.**

- Policy 3G-1: Create opportunities to provide more affordability by relaxing or eliminating some infrastructure requirements or impact fees where it is clearly demonstrated that such action does not create a safety hazard and is not contrary to the interests of the health and well-being of county residents.
- Policy 3G-2: Review and revise existing and proposed regulations for consistency with other housing goals.
- Policy 3G-3: Educate the public on equal opportunity laws specifically related to housing and housing conditions including options available to anyone discriminated against.
- Policy 3G-4: Allow development of smaller lots and creative options.

Policy 3G-5: Develop policies that encourage the construction of more Attached and Detached Accessory Dwelling Units in urban areas.

**Preservation of Existing Housing Stock**

Destruction of existing housing units due to redevelopment may be counterproductive for housing affordability. Instead, redevelopment should be taken as an opportunity to increase affordable housing.

**Goal 3H: Facilitate maintenance and rehabilitation of existing housing.**

Policy 3H-1: Wherever there is potential for destruction of existing structures, provide for preserving existing housing or creating new housing, whether by incorporation into the new project, moving, or recycling.

Policy 3H-2: Support creation of one or more additional housing units, within permitted density, when existing housing is remodeled, or commercial or light industrial facilities are redeveloped.

Policy 3H-3: Identify and implement incentives to preserve and sensitively rehabilitate historic properties.