

From: Mark Personius MPersoni@co.whatcom.wa.us in Planning
Subject: RE: Follow up on Business and Commerce Committee
Committee Housing recommendations

Date: Feb 24, 2020 at 2:28:04 PM

To: Rud Browne RBrowne@co.whatcom.wa.us,

Tyler Schroeder

Tschroed@co.whatcom.wa.us, Satpal Sidhu

SSidhu@co.whatcom.wa.us

Cc: Matt Aamot MAamot@co.whatcom.wa.us

Rud,

Some comments on the Business and Commerce Committee Housing recommendations:

1. *Publically declare a housing crisis*—This is a policy choice for jurisdictions. Remember that there is always a delay between the “demand” or consumption of existing housing stock by new growth (which can change or occur very quickly) and the expansion of the “supply” in response to that increased demand (that takes much longer, in part, due to regulatory constraints but also to the capital and time intensive nature of the home building industry, including factors such as construction labor availability or shortages, land availability and costs, construction financing availability, costs and timing, such as builders ability to arrange appropriate financing and labor to buy land, design the project, obtain regulatory approvals, initiate development, complete infrastructure improvements, complete new home construction and then sell the new houses). All of that time creates a significant “lag” between the demand for that new home and the builder’s ability to deliver it. That’s just the nature of the building and real estate industry.
2. *Replace current zoning rules, codes and procedures with a temporary housing crisis plan*—Most of these recommendations have to do with cities and urban growth areas which have sufficiently zoned densities to actually accommodate “workforce/affordable housing needs” as opposed to unincorporated rural areas. Regulations such as height limits, setbacks, density limits, parking requirements, etc. are designed to define and protect neighborhood character and local property values. Simply “waiving” them could create serious short-term and long-term implications for urban neighborhoods. Of course, the county has significant GMA constraints to increasing the supply of housing and densities outside of urban growth areas (UGAs). WC PDS does code scrubs annually to address permitting issues and identify ways to improve code consistency and efficiency of implementation. We also conducted a large-scale “kaizen” or “lean” process several years ago to improve permit review time frames and we are embarking on a \$2.6 million EnerGov computer hardware and software project to implement a new permit tracking software program that should improve

permitting timeframes even more. Streamlining the time for zoning or comp plan amendments is limited by state law—not just city or county code. Expediting permit review (within two weeks, for example) for “affordable housing” projects is not likely possible without violating SEPA and related permit application, public notice and public comment period requirements.

3. *Provide infrastructure and resources to increase housing availability*—Executive Sidhu has asked PDS and Public Works to work together to explore the possibility and feasibility of creating a publically-facilitated off-site wetland/riparian buffer impact mitigation program that could help facilitate development of critical area encumbered parcels with limited on-site mitigation opportunities. The COB is already working on establishing their own wetland “mitigation bank”. Whatcom County does not provide the “urban services” required for new urban development in UGAs except for roads and sheriff services. Those other services, particularly sewer, water and fire protection, are provided either by the cities or special purpose districts. Those utility providers have their own extension and funding policies. Of particular interest here is that most city utility policies generally do not allow extension of sewer and water into unincorporated UGAs without annexation. This can have the effect of slowing or discouraging urban development in the UGAs.
4. *Reduce government fees for housing development*—This a policy issue for jurisdictions. Do cities and the county want new growth to “pay for itself” to the extent possible or even practical (e.g., Whatcom County has never adopted impact fees as most cities have) or for taxpayers to subsidize all new “for profit” development costs? Perhaps looking at subsidizing “not for profit” (publically funded) development of “workforce/affordable housing” could be an alternative?
5. *Provide incentives for hitting affordable housing and workforce targets*—All GMA cities and counties are subject to the Local Project Review Act (RCW 36.70B) that states local governments should review and make final decisions on land use and building permits within 120 days (with exceptions). While not all permits can be approved in those times, most can. Limitations on reducing those time frames have to do with staff and technological resources which also have additional costs.

6. *Annex additional outlying areas*—This is primarily a city issue. COB is currently conducting a comprehensive UGA Annexation Review Strategy looking at all Bellingham UGAs to determine feasibility of future annexations. PDS has partnered with COB on this review and our staff have attended several neighborhood forums (e.g., Geneva, Yew Street, Alderwood, etc.) to hear neighborhood concerns and answer questions over the past year. For example, COB is actively looking into the feasibility of annexing the Alderwood neighborhood. That annexation review will lead to COB evaluating all its current associated UGAs as part of the next GMA Comp Plan Update cycle. Comp Plan updates for all 7 cities and the county are due to be adopted in 2024—which will include identifying any potential UGA expansion areas. Annexations can be very problematic for cities where they can be overruled by a local referendum under current state law. A new bill proposed in the state legislature seeks to improve the efficiency of annexations and accommodating more urban growth by removing the referendum provision. See ESHB 1598.

The county and all 7 cities are also working together to complete our first buildable lands study due in 2021 which will lead immediately into initiation of the 2024 Comp Plan Update cycle for all jurisdictions. The buildable lands study looks at two main issues: 1) did we achieve the planned densities in cities and UGAs over the past five years; and 2) do we have an adequate land supply within the cities and UGAs to accommodate the next 20 years of growth. If there are inconsistencies found in either of those issues we must consider whether we should adopt additional “reasonable measures” to correct those inconsistencies. This gets directly at the heart of the “land supply” issue relative to its impact on providing affordable housing and planning for that is already required by the GMA and the county and the cities are fully engaged in that process.

Thanks,

Mark

