

Whatcom County Business and Commerce Committee
Meeting Notes
April 18, 2023

Voting Members Present: RB Tewksbury, Clark Campbell, Chris Trout, Casey Diggs, Paul Burrill, Pete Dawson, Pam Brady, Debbie Ahl, Ryan Allsop (Committee Vice Chair), Troy Muljat, Sarah Rothenbuhler (Committee Chair)

Voting Members Not Present: Dana Wilson, Brad Rader

Nonvoting Members Present: CJ Seitz, Eva Schulte, County Councilmember Kathy Kershner, Whatcom County Executive Satpal Sidhu, City of Bellingham Mayor Seth Fleetwood, Port of Bellingham Executive Director Rob Fix,

Nonvoting Members Not Present: Small Cities Representative Jori Burnett

Public Present: Frank Imhof, Blake Lyon, Bill Geyer, Hannah Ordos, Dan Dunne, Lance Calloway, Anna Robbins, Tyler Schroeder, Jon Hutchings, Guy Occhiogrosso, Carrie Veldman, Michael Lilliquist, Kim Lund, Lyle Sorenson, Dan Hammill, Gina Stark, City of Anacortes Councilmember Ryan Walters, Dr. Barry Robinson, Jennifer Noveck, Wendy Jones, Braden Gustafson, Elke Stevens, Unidentified Zoom Participant, Unidentified Zoom Participant, Rose Lathrop, Scott Pelton, Josh Burdick, Jessie Everson, Frank Capistro, Whatcom County Director of Planning Services Mark Personius, Andrea Ruback, Pamela Jons, Darby Galligan, Jane Carten, Ashley Thomasson, Chantal Chaplain, Dean Fearing, Brien Thane, Carryn Vande Griend, Louis Parr, Whatcom County Director of Health Ericka Lautenbach, Heather Flaherty, Ralph Black

April Agenda

Introductions / Administrative business / Comments welcome from the Public (5mins)

- Committee Chair calls meeting to order
- Committee Member Introductions
- Approve February & March 2023 minutes
- Approve bylaw changes
- Invite all attendees to participate along with Committee members during Q&A sessions

Housing

Getting Housing Done & Thoughts on WCBBC Housing Memo (25 min)

Ryan Walters JD, AICP, Anacortes City Councilmember

Q & A (15 min)

Comp Plan Update, Housing Legislation, WCBCC Housing Memo (25 min)

City of Bellingham Director of Planning Blake Lyon

Q&A (10 min)

Public Safety

Interim Jail Facilities Update - High User Initiative (10 min)

Lyle Sorenson

Sarah Rothenbuhler: We're going to officially call the meeting to order. Committee member introductions. I'm Sarah Rothenbuhler.

Ryan Allsop: Ryan Allsop

Clark Campbell: Clark Campbell, Gear Aid.

Gina Stark: Gina Stark, Port of Bellingham.

Pam Brady: I'm Pam Brady with BP.

Troy Muljat: Troy Muljat, General Business.

Satpal Sidhu: Satpal Sidhu, Whatcom County.

Rob Fix: Rob Fix, Port of Bellingham.

Casey Diggs: Casey Diggs, I help manage Boundary Bay Brewery.

Sarah Rothenbuhler: Kathy Kershner, Whatcom County Council.

Sarah Rothenbuhler: And then on Zoom.

RB Tewkesbury: RB Tewkesbury with Market Works.

Debbie Ahl: Debbie Ahl, healthcare.

Chris Trout: Chris Trout with Woodstone.

CJ Seitz: CJ Seitz, Western Washington University for Higher Ed.

Eva Schulte: And Eva Schulte, representing Higher Ed. Although if a point of order, Sarah and Ryan, if I may— thanks Sarah— I did want to share that I am no longer representing higher education. Since our last meeting, I did step into a new professional role and am very, very pleased about the work that you all are doing and leading and my opportunity to have been a part of it. I'll continue to be an ambassador for higher education, certainly Whatcom Community College. And I'm pleased that Dr. Barry Robinson, our vice president for instruction, who you heard from several months ago, is here to listen in and take notes. So there is a conduit to the college. But thank you all. And I am moving to San Juan Island and serving as the executive director of a nonprofit here, Friends of the San Juans.

Ryan Allsop: Congrats. Thank you. Welcome, Barry.

Sarah Rothenbuhler: Yes. Congratulations. And thank you for all your help and really pulling together that amazing meeting in January where we got to hear from a lot of our higher education in the county. Thank you, thank you. Dr. Robinson, thank you for being here. We hear you're available to join a committee. (laughter)

Dr. Barry Robinson: Yes, ma'am. I'm gonna put in my application later today.

Ryan Allsop: All right.

Sarah Rothenbuhler: That's awesome. Thank you.

Ryan Allsop: Anybody else or committee members on Zoom?

Seth Fleetwood: Seth Fleetwood, Mayor of Bellingham.

Ryan Allsop: Thank you, sir.

Sarah Rothenbuhler: Hi, Seth.

Seth Fleetwood: Hi.

Jennifer Noveck: And then we have two of our presenters or attendees today are online as well. Council member Ryan Walters and director of planning for the county, Mark Personius are here. Oh, and I see Paul Burrill just logged in, too. Okay.

Sarah Rothenbuhler: Great. Thank you, Jennifer. So we need to approve February and March meeting minutes. All in favor?

Sarah Rothenbuhler: And then we have proposed amendments that we proposed and laid out so long ago. Do we need to read those? They Jennifer shot these out to us last week and again this morning on the chair and vice chair, that language. And look there it is [on screen]. Do we want to have a discussion on this or does anyone want to make a motion to approve?

Ryan Allsop: I'll make a motion.

Clark Campbell: Supported. Second.

Sarah Rothenbuhler: All in favor. Look at us voting on things. (laughter)

Sarah Rothenbuhler: All right, great. Please, everyone here, you do not need to be a committee member or a voting committee member to participate. We love that you're here. We'd love to hear what you have to say. And now we'll get started with introducing Ryan Walters. Thank you so much for being here.

Ryan Walters: Good morning. I have a presentation. How much time do you want me to take?

Sarah Rothenbuhler: We have you down for 20-25 minutes. That enough time for you?

Ryan Walters: Yeah, we'll try for that.

Ryan Walters: All right. My name is Ryan Walters. I am a city council member for the City of Anacortes. I'm also a former planning director for the Samish Indian Nation, assistant director for the Skagit County Planning Department and a former prosecuting attorney for Skagit County. My presentation this morning is about what Anacortes has done in the housing arena in the last ten years. I ran for election 10, 12 years ago on the platform of we need a greater variety of housing types, sizes and styles in Anacortes, because I saw my friends graduating from college and not being able to find a place to live. And obviously the housing problem, and that crisis, has worsened substantially since. So we've been working on this problem in all that time. And my goal here is just to tell you what we've done. It may not be a model for everybody. It may not be the exemplar of what you can do on housing either, but it is what Anacortes has done and some of the things that we've been thinking about. So when I give this presentation, especially to constituents, I talk about why we are focusing on housing at all. First of all, economic development. Economic development experts will tell you that housing is one of the most important factors in being able to attract new jobs, being able to have labor, but also the vacancy rate, Skagit County especially, but also Anacortes by itself, has a very low vacancy rate.

Ryan Walters: Skagit County usually has the lowest vacancy rate in the state. And without appropriate amounts of vacancies, you don't have a functional housing market. We should also be concerned about housing because it's the law. And I would describe, if I were presenting to a group that maybe didn't know, about the Growth Management Act requirements, including the new requirements to plan for every class of housing at every income level. And then vehicle miles traveled. Anacortes is on an island. Anacortes is separated from I-5 by 25 miles or so. If we don't build housing, but we continue to add jobs, we will also add more and more vehicle miles traveled to Highway 20. We've already widened to four lanes, let's see how far we can go with it. I don't find that a desirable future, and I think most people don't either. So how can we reduce vehicle miles traveled, reduce the climate impact, reduce the commute time impact by building housing in the community where people are employed?

And then finally, just the humanity of it, the morality of it. Everybody deserves a house. And the fact of the matter is, we're short on houses, so if we don't have enough for everybody, people will be homeless. And the homeless angle is something I talk about as well. So those are sort of our reasons. Also specific to Anacortes, we have a very homogeneous housing market. A lot of it was built a long time ago in the 1960s. Other housing that is built more recently is more expensive, but all of it seems to have 3 to 4 bedrooms. And that has some impacts on whether you can use a Section 8 housing voucher, if you're

able to get one when you're housing, when your household size doesn't match the housing that you find. There's very few 1 to 2 bedrooms. So smaller units or less expensive units for people that need those options or would prefer those options. Very few condos, for example. And of course, there's that low vacancy rate. Now, when I say there's a low vacancy rate, in 2000, we found a 1.1% homeowner vacancy rate in Anacortes, 1.9% rental vacancy rate. And those natural rates that we're looking for are much higher. If you look at the chart, it's been really low for quite a while. There's renter and owner vacancy rates and there's our natural vacancy rates, that would be a more functional market. If you look at Anacortes' housing, home value prices and rental prices compared to income there, you've got in blue the home value that's been rising pretty quickly. Rent has been rising a little less quickly. But in the last two years, at least anecdotally, because I don't have data past 2020 here, faster than what's shown. But then our incomes, our Anacortes median income has been tracking the rent, but certainly not tracking the home value. So that has created a distortion in our community.

Ryan Walters: For me, our guiding principles when we talk about land use changes and trying to get more housing are threefold. First of all, we should try everything. We don't know precisely what works. We have social science data. We have economic data. We know some things, but we don't know everything. So we should try everything. Two, growth should be incremental and new development should integrate, not dominate. Now, these last two are sort of at odds with the housing crisis that we find ourselves in. So we got to push on those. But overall, we do want growth to be incremental. We don't want neighborhoods to be completely outsized by the new development that occurs in them. We want it to be more integrated. We want a natural evolution of a neighborhood. On the other hand, we have a housing crisis, so we may push a little harder than people might want to see. So what we are doing is maybe five fold. We're rewriting our development code, which is largely complete now. We're funding low-income housing. We're engaging the community in conversation. We're facilitating example projects, which really helps engage the community in conversation. And then we need to monitor and adapt. So starting with rewriting the code, this is where I played a large role. Starting in 2010, the city before I got on the council, the city had correctly identified that there was a problem with the code and started that work, but we really didn't complete that process until 2019.

Ryan Walters: Our objectives are to provide certainty for neighborhoods and developers to provide code in plain language with clear standards to reduce or eliminate discretionary approval processes like conditional use permits, because they create uncertainty for both neighborhoods and developers and retard investment. We wanted to enable new housing types, and we have now. Cottage housing, for example, townhouses. And it's not just about outright permitting those. It's also about making sure that the other parameters, the setbacks, the parking parameters are adjusted so that you can physically construct it on the sites that we have. We also provide for a modest increase in building height limits, especially in our commercial core, but also elsewhere. And we facilitate ADUs in all residential zones. And as part of our code update, we prohibited short term rentals in residential zones. So let me talk a little bit about how our code looked before we started this process. It was spread across multiple titles of the municipal code. It didn't have types of applications which are very common in development codes, but not in Anacortes. It had almost exclusively discretionary land use approval processes for anything other than a building permit and including some building permits. Most permits would get a recommendation from the Planning

Commission, which would then go to the City Council for approval. But there was also the opportunity to appeal the recommendation simultaneous with review of the recommendation.

Ryan Walters: So it was a very convoluted and conceptually problematic process. There was no hearing examiner, and we had a planned unit development code that allowed an applicant to vary from any requirement they wanted to. And it was, I think it was about two pages long, created a lot of uncertainty and a lot of fights in neighborhoods. As a result of all this, savvy local developers could navigate the system, but almost no one else tried. If you were from out of town and you didn't seem to have connections and good understanding of what the department or the city wanted, you didn't get your housing development permitted. So our first attempt to rewrite the code was in 2010. It took about three years. The planning director identified the procedures as a primary failing, although not the substance. The proposal was to move procedures into a new Title 19. And if some of you are less enthusiastic about the mechanics of this process, well, I have several more slides about it because I get excited about it. So the proposal was to move the procedures into a new title, create a hearing examiner, shift most of the approvals from the Planning Commission to the hearing examiner. That created a lot of uncertainty in the community, a lot of angst, a lot of concern. The result of this process was a code proposal with hundreds of pages of edits, public skepticism and a public finally, a public coalescence around insistence on better substantive codes before abandoning the Planning commission.

Ryan Walters: For all of its faults, the Planning Commission was what the public trusted. So really the project failed. And so then we started again. We brought in a whole new cast, new planning director, new mayor, mostly new city council, and people under 40, people of color and more women. So we committed to a wholly new unified development code in Title 19, wiping out those other titles and doing it right with one unified title. We rewrote the procedures as a first step while keeping the substantive rules mostly the same. We built on the 2016 Comp Plan update, which was a massive refresh. We had a 20-page Comp Plan update that we threw away and rewrote a new Comp Plan from scratch. That's now a couple hundred pages, maybe excessive, but it at least addresses all the things that it should. So as our first step, we rewrote those procedures. While keeping the substantive rules the same. That was pretty important. Before that development code update, though, we created a new civil code enforcement title. We didn't have a title in the municipal code about code enforcement, but we created a new one and moved all the code enforcement procedures there and appeals of code enforcement actions were heard by the Office of the Hearing Examiner. We knew that we needed a Hearing Examiner. We knew that we wanted a Hearing Examiner. But we wanted to have the discussion about creating the Hearing Examiner separate from everything else. So we did that in a separate action. And it wasn't a land use action either, so it wasn't a development regulation. So it got adopted without going through the Planning Commission and with the direct connection of public hearing and city council.

Step two was to adopt an outline of Title 19 and a new procedures chapter that overrode any procedural provisions of the old code. Without getting into all the complexity of the hundreds of pages of code update that had come in the in the prior process that had failed. And then after that was adopted, we rewrote each of the substantive provisions of the code and moved them when complete into Title 19. So we did stormwater separately. We did several other sections separately, and then there was sort of a massive

overhaul of the remainder that was larger than it probably should have been, but that process got completed in 2019. We did critical areas separately and we were doing Shoreline separately as well. We also got rid of the City Improvement Board, the Board of Adjustment and a couple of other entities like that that weren't really functioning and just added complexity while lowering accountability. So what did we do in this big code update? We tried to relax requirements overall, but also added design regulations where we didn't have any before.

Ryan Walters: So we wanted more intense development. But with design we provided for departures from those design regulations within some narrow windows so that people weren't completely boxed into those regs, but also could do things within some bookends. We tried to reduce barriers, including setbacks and parking requirements. So as an example of some of the design regulations we did, we allowed porches and covered entries to project into the front setback, but also required porches and covered entries to be in front of garages. For example, there was a slight adjustment to the minimum lot size in our medium density residential zones, and we did some work to increase the diversity of housing. We increased allowed density, smaller lots and larger buildings near the center of town, which is where we especially think that it makes sense to put more people. We tried to diversify our housing types, cottages, townhouses, as I mentioned, are new types that that are allowed now. We created affordability incentives, which include height bonuses in some zones. And as an example, we have started getting some higher and more dense development that we haven't had before. So again, that was 2019. Of course, COVID hit 2020. So it was really 2021 where we started seeing more construction. And as an example, these townhouses are near our commercial core. We really didn't have construction like this in Anacortes before. This is, I guess I don't have density stats on this one, but these townhouses are one example. This is a lower density, but still higher than our typical example that is sort of in the center of town. It's a cohousing project. There's 15 multifamily style units in one three story building and 15 townhouse units in four two story buildings. And there's a common open space, recreation space and an outdoor dining area. It is a net 14 units per acre. This is another townhouse development that is out by the state ferry landing. So pretty far outside of our downtown core. It's 20 townhomes on 1.3 acres. It's about, again, about 14, 15 units per acre. They're each 1500 square feet with 2 to 3 bedrooms and two car garage. This is a project I designed when I was working for the Samish Tribe. It's fourteen 1000 square foot cottages, taking advantage of the cottage development regs with 300 square foot attached carports. It's on 1.5 acres, so it's about ten dwelling units per acre and it has a central entry. So which is new for Anacortes. These are some other townhouses on our avenue, which is much closer to our downtown core. This is a mixed use development on Commercial Avenue, which is not something that we had seen, you know, since 100 years ago when they were common. It's three story construction and it's stacked flats on top of a commercial below. So this is what we did in terms of height.

Ryan Walters: We have a couple of mixed use zones. The central business district is our old town downtown zone. We didn't change the height limit, but we allowed for some bonus height in the commercial zone, which is most of Commercial Avenue. We increased the height limit by ten feet only as a bonus. Notably in our residential, our R4 zone, our highest density residential zone. We did not change the height limit, but we added the bonus height of 50ft and that one became a little bit more controversial. In terms of bonus height, this is how you become eligible for it. There's two ways. One, you can do low

income units as part of your development. One unit in the building must be low income for every three units or 2000 square feet of shared amenity space above the base height limit. Now low income means 50% AMI for rental or 80% AMI for owner occupied. It's got to be adjusted for household size. The total household expense can't exceed 30% of the monthly household income. The tenure, whether they're sale or rental of low income units, must be the same as other units of the building. You have to record a restrictive covenant and monitoring agreement with the city for 50 years. The city can charge a monitoring fee. No one has taken advantage of that.

Ryan Walters: The alternative that we put in the code is a small unit bonus. 25% of the units must be 600 square feet or less. And we did get one example right away of a building that was different from anything else that had been built in Anacortes and still is. It's a five story construction. It's 50 feet plus the allowed mechanical and elevator shaft above the 50 foot height limit. And it took advantage of the small unit bonus. It actually built 60% of the units in this building at 600 square feet or less. They also put in a roof deck and the roof deck was to comply with the open space requirements in our code. The result of this building was a moratorium on the small unit bonus height provision in this portion of the R4 zone. So not the entire city, but that portion of the R4 zone. Now, this is important because what we had done in the past was all types of applications like this were conditional use permits. They came to the city council after review at the Planning Commission level. It was a quasi-judicial process. We as elected officials couldn't talk to our constituents about it. We chafed at that. They chafed at that. What we have gotten away from now is those types of quasi-judicial processes, wherever we can. And so the projects that are coming forward now are approved by right. What we did here was legislative. We said, okay, maybe we do need to take another look at the code.

Ryan Walters: Maybe we did something we didn't intend, and so we did a moratorium on it. Now that was right before COVID, and so things got delayed quite a bit and we only resolved this a couple of weeks ago. So it isn't still awaiting resolution. We now have resolved it and we resolved it by wiping out the moratorium, allowing the 50-foot height again, but requiring 50% of units to be the small units, 600 square feet or less in order to qualify for the height limit. And the reason we did the small unit bonus to begin with is because we perceived a lack of units in that size and hopefully lower price point in the market and people didn't seem to be incentivized to construct those. So we wanted to make sure that that happened. A couple of years ago, we ran an affordable housing sales tax measure. It was that one-time opportunity where if you ran the measure, you also got the incremental rebates from the state. So it appeared on the February 2020 ballot measure right before COVID. The housing is now being constructed. And just a couple of bits about this. We did the first increment, right, which you could at the time. Under state law, a city council could just opt into that. You just passed a resolution; you got that increment. It generated only \$41,000 a year. So we didn't expect that we would do very much of anything useful with that.

Ryan Walters: And that's why we went looking for what our other options were. And under the law at the time you did the first increment, you could also get a second increment, which is another \$41,000 if you adopted a local affordable housing sales tax. Now the county came to us and the county said, Why don't you give us your first increment? We'll pool all the other cities first increment amounts and we'll do

something productive with housing. And we said, Well, wait, if we can do a local affordable housing sales tax, which at the time was only available if you put it out to the ballot for the voters to approve, we will generate more money, \$570,000 off of that. Then the entire county was going to generate off of that first increment. So that's what we opted to do. And so we went out to the ballot with three projects. The first is the housing authority townhouses that you see at the top right. Those are now constructed and open. It's five units. Estimated price tag at the time was 1.5 million. It came in at 2.5. It is now open. The Olson Building downtown, one of our historic buildings had been acquired by the housing authority and they are seeking to rehab it. That's funded by this project. It is currently under design. It'll be 10 to 15 units. And then in the lower right is the Anacortes Family Center, a local nonprofit, landing apartments. It's 20 units plus daycare on the first floor.

Ryan Walters: It's four stories. It uses the small unit bonus height provision as first floor childcare space. It came in at \$6 million when we were projecting \$4 million. So we ended up giving them a little extra money from our ARPA funds as well. But we went out to the ballot with those three projects and we are delivering on those three projects. That project is opening this year. So those definitely were our keys to success is the concreteness of what the money would be spent on. It also had that historic preservation element. It had a unanimous council and mayor support, and I think it was a time limited opportunity. The state was saying use this or lose it, even though it was a small amount of money. I think that that made a difference. The other thing I think made a difference is was the sales tax, which meant partially paid by tourists and others coming into town to buy boats and cars, not a property tax, which is obviously less supported generally. In terms of the conversations we've been having with the community, they have been long standing and ongoing. They started with that 2016 Comp Plan update. We do articles in our A-Town magazine, we do council member presentations to council at the senior center to the League of Women Voters, those kinds of things. We're now working on implementation of a housing action plan. When we put that together, we did a survey, we did interviews.

Ryan Walters: So there's been really a lot of outreach to the community about the problem and about the solutions. And now we get organic feedback from the community that we need more housing, that we have a housing problem. People have internalized that. We did a forum with the League of Women Voters back in October, and we've done housing presentations to community groups as well. So there's lots of interaction and there's lots of leadership from the city council on this issue. One thing that we really need if we are to convince people that housing is the solution here, is to make it clear that housing, the types of housing we're talking about, it should not be scary. So we are challenged by the fact that there are few good examples of multifamily development, and especially prior to our new code, there really were. But we have done work to try to facilitate these things. Now, one of those things we did was forgive one of our loans that we had to the Anacortes Housing Authority. They are thus going to be able to have more freed up cash to be able to build more. We spent almost 20% of our ARPA money on that family center project that I mentioned before. And then right now we are working with Habitat for Humanity and working on a lease for them right now that will lease two city parcels to them to build in a residential neighborhood, sort of our medium density residential neighborhood.

Ryan Walters: The project kind of looks like this. We got two parcels there, 16,000 square feet. We're going to put five houses on there. Under traditional zoning, you would get two or fewer. They're 1200 square foot cottages. So they take advantage of our cottage code again. They are now going to be the maximum density for the zone that we are going to require through the lease agreement, permanent affordability and local preference. So the people who live in Anacortes are going to be able to work. Or the reverse, people who work in Anacortes are going to be able to live in Anacortes. So this is just a map of the buildings that exist you see in the center there. There's a couple of vacant parcels. That's where this new development is going to go. Three buildings that face the street. Two that are loaded off the alley and parking on the alley and all of its surrounding common open space. We do feel the need to check how well are we doing, how well is this progressing? We've got the housing action plan that we did mostly last year and approved this year. That has been a great help because it has provided that check in process. Our next step is to do a housing options ordinance to implement some of the recommendations of the Housing Action Plan, which are further refinements to our code, will probably take some of the low hanging fruit first, like conversion of conditional uses for random uses that we don't usually see into permitted, outright permitted uses.

Ryan Walters: If you look at how much housing we've actually produced, this is a chart that shows that over time. Remember at the end of 2019 is where we adopted our new development code. It was 2020. 20 was supply chain shortages and COVID. So we kind of write that year off. But in 2021 we produced many more townhouse, especially that's the goldenrod there, but also more ADUs. That's the kind of peach below it and quite a bit more multifamily, which we hadn't so much in the past. Our goal, however, based on countywide planning policies, the population projections and how many people are going in each dwelling unit is 131 units per year and we exceeded that once in 2021, 2022 with higher interest rates and maybe some less pent-up demand was lower. Now I haven't filled this in with an end of year numbers for 2022 yet, but I do know that they are much lower than 2021. So it kind of remains to be seen. Maybe as interest rates come back down and supply chain, everything gets settled out there, maybe what, 2023 is going to look like. Our next step is to focus on missing middle, which we haven't really so far.

Ryan Walters: We are going to enable these housing types and do that by adjusting the various little bits of parameters of the code, the setbacks, the minimum lot sizes and eliminating, hopefully, you know, the concept of a duplex. Rather than calling it out as a duplex, let's just talk about the number of units that you can fit on a lot and make sure that it's single-family scale in a single family neighborhood. So this is what our zoning looks like right now. There are still some conditional use permits that we want to get rid of. So those would probably change to permitted uses, add some permitted uses in other zones. And then if we can, eliminate these artificial distinctions and just talk about residential scale. Other things that are next: We have some stormwater capacity constraints in our system. It means that people need to use up land for detention ponds. If we could upgrade some of those pipes, we would be able to eliminate the use of detention ponds in some areas. We do have problems with the availability of cranes for higher multifamily district construction. I guess they're all in use on Samish Way right now, maybe. [Laughter.] We want to eliminate the owner occupancy for ADUs, but it sounds like the legislature might be getting there first. Just the parking standards for mixed building uses and for guests. Reducing parking further will

probably help incentivize more development. There's a new Sightline article out just recently about how much the parking reductions in Seattle have allegedly improved the ability to construct housing there. We want to audit the permit process because we haven't done that. We've adopted a whole new code, but we need to do some checking on whether the permit process has any bottlenecks.

Ryan Walters: We're right now implementing some new software, so we'll probably sequence that afterwards. We have looked at a multifamily property tax exemption and we'll probably pursue that. But we've also advocated with our legislators for a multifamily sales tax exemption, something where the city could opt in to an exemption from both the local and state and other sales taxes for qualifying multifamily construction, because that's what we heard developers want. We will consider raising the income limitation for our incentives to 100% of AMI or more because we need housing all the way down that spectrum. Impact and connection fees. We raised them in the past ten years because we do want development to pay for themselves. But we did it with kind of a brute force method and maybe we can cut prices for small units or infill and get those fees a little bit lower to avoid any kind of disincentive to construct multifamily and higher density. And then we want to cut the cost of development overall, maybe by eliminating traffic and stormwater modeling on the backs of the applicant. We can do that in house. We have the models, we trust the results more. Maybe that's something we can do rather than putting it on the applicant and then looking for other ways to obtain vacant parcels so that we can do more demonstration projects. And that's all that I have.

Ryan Allsop: Good job. Thank you.

Sarah Rothenbuhler: That was phenomenal.

Clark Campbell: Fantastic.

Sarah Rothenbuhler: We've got nine minutes for Q and A.

Clark Campbell: You talked about in the kind of at the very beginning in 2010, that period where you did the process change and then the zoning changes and then ran into conflict with the community. Any advice on how, you know, for Bellingham or for other communities that are trying to do this? Is that just a part of the process? You got to go through that and go through that phase to get to the next phase, or is there a way constructively that you could learn from what you guys have done to skip over that phase?

Ryan Walters: Yes. So to be clear, in 2010, the process that we spent three years on failed and nothing was adopted. So the process that restarted just before the Comp Plan update or with the Comp Plan update in 2016 was almost an entirely new process and it was a new approach. So, for example. We knew we needed to update the procedures. The way we did that was to reduce almost all of the substance of that, the things that people cared about, where what types of permits got what review, to a single table on a single page in the new code so people could look at that. And if they said, well, we want this type of permit to be reviewed by this entity, we would move that bullet over into a different column. That's maybe pretty mechanical, but the point was that we could explain it to people very simply what it is

we were doing. And also, City Council was much more aware of what it is we were doing because we were rewriting for plain language, using tables and bulleted lists and biting off just bits at a time. We did the procedures without trying to do a bunch of substantive changes at once. And so that I think was very much key. It's also simply key for keeping track of all the moving pieces in a development code, but for public understanding, it was huge.

Sarah Rothenbuhler: Any other questions? Mayor Fleetwood?

Seth Fleetwood: Yeah. Ryan, Thank you. That was really great. Good presentation. A lot of overlap and commonality with things we're doing in Bellingham, but also some different things that we can take a look at. I wanted to ask you about— of all the new units that are being created, is anyone keeping track of what percentage of those new units are ownership types versus rentals?

Ryan Walters: Yeah, I don't have a chart on that, but the townhouses are largely ownership. The last project that I showed you is rental, so there is a mix. The multifamily is all rental.

Sarah Rothenbuhler: Thank you. Over the next 5-10 years. What is the right balance of multifamily and single-family housing for our Pacific Northwest communities? Percentage wise...

Ryan Walters: I'm not sure what that looks like percentage wise, but we do feel like we need, I mean, we know we need many more units. And squeezing them into existing neighborhoods is one approach through that missing middle layer. But it's also something that will cause some conflicts. It will cause some traffic impacts. It will be less easy to anticipate exactly where those units go because they will all be sort of one- or two-off developments. It also doesn't use land as efficiently as a five-story building. So we're looking for more multifamily like the five story building that got constructed in our downtown where people can then maybe also be working at a restaurant downtown or working at the shipyard downtown closer to where they work, and reinvigorate downtown at the same time, which are really things that we had 100 years ago. I mean, we have buildings downtown that are five and six stories and that are packed full of residential, and they now belong to the housing authority because they were old, and it required public money to rehab them. But those kinds of projects are historically fitting for Anacortes, and they should be again. It's simply by virtue of the car and our ability to drive an hour away each day, is what has led to the lower density development that we have now. And as that maybe changes back in the other direction, it's going to be important for us to be able to have, I think, a better sense of community as well, people with more investment. We've got our hospital paying huge sums of money for travel nurses, because they can't get nurses, because nobody can afford to live in Anacortes on a nurse's salary. I mean, there just seem pretty clearly without being able to put the percentages or the numbers on it for sure, things that are out of whack in that ecosystem. So we don't have that number or those percentages, but we need to go a long way from where we are now.

Sarah Rothenbuhler: Thank you. Guy, do you actually want to talk today? (Laughter)

Guy Occhiogrosso: Is that—I feel like that's a dig. [Laughter.] So, Guy Occhiogrosso from the chamber. I know when I'm sitting on this wall, sometimes it's hard to hear and see with the OWLS. But I guess, two part question: number one, during the presentation, you mentioned a goal, a unit goal of 131. All of that's prefaced on, I would say, a much broader goal of percentage, 7 to 8% vacancy rate in the rental market. Or flip that, 5% vacancy rate in the rental market, 7 to 8% vacancy rate in the ownership market. How do you do that without increasing the goal? Because you are assuming more people coming in, more units being built. It seems like that goal would need to increase at that same 5 to 7-8% rate as well.

Ryan Walters: Yes. So that that the housing dwelling unit goal is based on the countywide planning policy population projections. Divided by the expected number of people per household. So when that was set back in 2016, the conversation around housing was quite a bit different than it is now. And I don't know that they took into account that natural vacancy rate issue. I don't recall exactly what we chose as a county in terms of the OFM projections if we chose low or medium. But we need to be building for quite a bit more in order to achieve that vacancy rate, which I think is a good point.

Guy Occhiogrosso: And that's why I asked the question, because it seems like if you're building more from a percentage piece, you need to be allowing more from a limit, an actual number. So thank you. My other part and again, want to I want to respect Ryan's time. My other question is actually for Bill Geyer and Troy, probably two of the more informed people, but I'll hold that for any questions for Ryan.

Sarah Rothenbuhler: Thank you Guy. Go for it-

Guy Occhiogrosso: How can you compare-contrast what Ryan mentioned with, let's say, the chat process and recommendations and then — Troy's probably the most knowledgeable in the room — with this committee's recommendations from 2018. So how does that compare and contrast with a lot of what was being presented? It might be a larger conversation than we have time for, but it seems like we've done and had a lot of these conversations.

Bill Geyer: Just a one and a half, two minute response. Bill Geyer. Geyer Associates. Chat process was the second or third time on a policy overview by community members from elected officials that said, What should we change in Bellingham to really accelerate affordable housing? We recognize the problem. May 9th came back two times chat process resulted in May 27-28 specific recommendations that included many things that we touched on that Anacortes did, and many of those things that were in that chat process were not done. One of the first things I skipped to was down to putting the housing referendum on the ballot and the folks passed. But there are still many things that are left to be done. Post chat, Bellingham has done several adjustments, as Mayor Fleetwood mentioned in their code to attend to the housing form mix and to change some of the regulatory components. I would observe from Anacortes' presentation to Bellingham, they're probably five to maybe seven eight years ahead of Bellingham's process towards that same goal. So there's still much to be done. If we know in this room it's pretty much, very much based in what the general public will understand or perceive and what most importantly in Bellingham, the 8 elected officials will then commit to adopting.

Blake Lyon: It's also important to acknowledge the difference of scale. When we talk about Anacortes being 131, Bellingham is closer to 850. So there's a difference as far as units per year.

Sarah Rothenbuhler: Annual goal?

Ryan Allsop: Actually, I was going to ask the question, so that's the current goal. But the state is now mandating, we talked about this last month, a much higher goal. How close, I guess, Ryan, for you, is your 131 aligned with the numbers that they just came out with the state? I think we said 30,000 is what Bellingham has to do in the next 20 years, is that right? Like 34,000. And so I'm curious — sorry, for the county. The city had its own. But I'd be curious what if your numbers aligned kind of with that or if you're off base as well?

Ryan Walters: Yes. The only thing I know about these numbers is that they are not aligned with those numbers. [Laughter.] Again, the 2016 goal. And so I think the import of the slide is, even with all this work that we started in 2016 when we adopted that goal, we are far short. We've exceeded that that projection once. And now we'll have a new higher goal and a new, very different goal because it will have projections for specific income ranges.

Ryan Walters: We are going to have to do quite a bit more work to achieve those and we got to do it faster. We can't do it halfway through Comp Plan update cycle.

Ryan Allsop: Yes, I mean, I think from my perspective, like one of the things that scares me is obviously we saw in 2022 the retraction you had in growth in units. And I think what we can't control in this room or in our community is market conditions. I mean, you know, bank loans, things like that. It's really hard for us to incentivize as much as we want, but it is hard. We have those every ten years. We have I mean, basically every ten years a blip in the system that does, then you have to catch up even more. So I think we need to make sure we're also accounting for that as communities.

Michael Lilliquist: So thank you. So, Ryan. This is Michael Lilliquist, Bellingham City Councilmember. How are you doing? Question that had to do with kind of in the middle of your presentation, you had that one chart of permitted types and conditional types, and you used some language about kind of eliminating some of the labels for the types and talking just about the number of units on property. I have been trying to use the phrase, moving away from use base distinctions, artificially being multifamily, single-family, to form based zoning, where again, you talk about density and size and scale rather than type. Am I talking about it similarly, or how did you talk about it publicly with everyone?

Ryan Walters: Yeah, I think so. I think form based codes are not well understood by the public, so I wouldn't use those terms. But you know, we talk about my house. You know, my house is 1400 square feet, it's a 100 year old house and it had a basement underneath that had never been finished. So if I finished that basement, which I did because I needed more room, because now we both work from home. But if I finished that basement as another unit. And then rented that unit separately. So now I'm an ADU except we exceed the ADU size requirement. So not an ADU, now I'm a duplex and that comes with

some different perception. And under our current code it also means a conditional use in quite a few zones. We'll get rid of that, but is that a useful distinction or should we really just say if you can build a single family scale dwelling in a neighborhood that is single family scale and we need to come to some term that is not single family because we're moving away from everything being single family. But if we can get that scale and you can have 2 or 3 units in a house that is at that scale, why do we care about calling it a duplex or a triplex or something like that? Why don't we just call it a house and it can have as many units as the owner wants? Let that market determine how it gets used and rented while making sure that we're consistent with the building code and the proper regs for fire and those kinds of things.

Sarah Rothenbuhler: And we're going to do one more question and then move on.

Lyle Sorenson: A little question. And this may be for some of the people in the room as well. Can those units that you create in a currently single-family home be condominiumized so that they can be sold separately? So that people can actually attain those?

Ryan Walters: I'm pretty sure they can.

Ryan Allsop: Under the new law that just passed.

Blake Lyon: Under the current laws that are coming out of this legislative session, if they get signed by the governor and go into law, then yes,

Ryan Allsop: But do they fall under the same condo insurance problems that we've talked about so much in this committee?

Blake Lyon: Some of those are more, yes, the construction liability issues.

Ryan Allsop: Yes. So you still fall under the same? We haven't solved that side of it.

Blake Lyon: Not yet.

Sarah Rothenbuhler: Okay. Ryan, thank you so much. We really appreciate your time and all your amazing, amazing work.

Ryan Walters: Terrific. Good to see y'all.

Gina Stark: And Ryan, can you send us your slide deck so we can share it with the group, if that's okay?

Ryan Walters: It sounds like somebody's going to send it out. Yeah. Thank you.

Ryan Allsop: Thank you.

Sarah Rothenbuhler: Thank you. Appreciate it. And now we have Blake Lyon, Bellingham Planning Director who will present for another 25 minutes, and then we'll have a Q and A after as well. Thank you, Blake.

Blake Lyon: So as we're getting this set up, I will tell you that I have a lot more in here than we can cover in 25 minutes. Feel free to ask questions as we're going through, and I can jump around or I can skip through stuff to be a little bit more time sensitive for you.

Blake Lyon: The nature of my comments this morning really are to talk a little bit about the current Comprehensive Plan cycle for the city of Bellingham and in fact, for County as well. Some of the things that we're seeing, hearing out of the legislative session. And thank you to Dan for a lot of his work in that effort. And then finally to touch a little bit more on the housing memo that was provided to the city and kind of where we are in those processes. This may be a little bit familiar to many of you. I will go over it at a fairly high level just so we can make sure that we're all working kind of on the same reference point. This is a periodic update. As Ryan mentioned, they did theirs in 2016. That's the same for the city of Bellingham as well. You can see there that kind of pea green color. We are on schedule to have our new Comprehensive Plan to the state by the middle of 2025. The other thing to note, and as I get into the legislative stuff a little bit later, many of those laws are tied to the six months after your Comprehensive Plan cycle.

Blake Lyon: When you look at this for Whatcom County and some of those pieces of legislation, you're looking at probably January of 2026 for when some of those things become effective. So that's kind of just a piece to keep in mind. Those that have the stars on them are partial planning counties. I'm not going to go into that in any great level of detail. The one thing to note the color shift a little bit here, these are all the requirements that come out of that. Most notable one for Whatcom County is this is the first time in the county's history where we have a Buildable Lands Report. And we've been going through with our county colleagues and building out that report and have that approval. That just really looks at making sure that we have the infrastructure in place and the accommodations in place in order to be able to hit some of those housing targets. And we'll touch on those a little bit more as they came out of House Bill 1220 from 2021.

Blake Lyon: The state requires you to go through and have elements or chapters. The two that are highlighted there in green are those that we as a city included that were not required in the 2016 Comp Plan. One of the pieces that came out of this legislative session is that climate will be required as part of the Comp Plan update. So that will be right now it's under our environmental chapter. But to address some of those going forward, there are a variety of other supporting documents that come along with the Comp Plan, and these are by no means an exhaustive list, but a list of different plans that inform the Comprehensive Plan that we're either have adopted or are in the process of adopting. If anybody's been paying attention to the council items recently, you'll note that we've had we're doing a four part series on the consolidated plan. There's some effort underway currently for the Urban Forestry Management Plan, but all of these are documents that go into helping to support the overall Comprehensive Plan adoption process. When we start to think about what are the drivers of change that go into that next cycle, again,

we're looking out at a 20 year ahead, but we want to understand what the change in the existing environment is right now. Certainly, the state legislation is going to play a part of that.

Blake Lyon: Certainly in Ryan's comments, we heard a lot of the housing or lack of affordable housing. So those become a key driver in those conversations. And then there are certain things that we look to clean up and make sure that part that's worth noting in Comp Plans and for those that aren't dealing with them on a day to day is they are not a regulatory document. The regulations go into land development codes and other codes and ordinances. They really are set around policies and goals and objectives. So when we focus on our upcoming update, these are kind of some of the things that we're trying to pay particular attention to, to make sure that we can do that. One of the things that we'll be doing is reaching out to commerce and see some of these things, if we can infuse these into and throughout the document rather than having them as standalone chapters. But we know housing is going to be a critical component of that accessibility, diversity, equity and inclusion as it pertains to housing, but as it also feeds throughout, that can be a lens under which we work throughout the entire document. We will have a fairly robust citizen participation plan. This is certainly something that is a cornerstone of any Comprehensive Plan.

Blake Lyon: So we'll be getting out there. We're in the process of developing that as we speak. That also includes tribal participation, and it's important to make sure that we acknowledge and recognize the relationship that that exists when we start to look at our potential schedule and we talk about, okay, we're really kind of at the summer start of the summer when we're going to launch it. And this may be subject to change quite a bit, but we know that we're going to try to get to that second quarter of 25 and go through the process that 2024 is really where you're going to see a substantial amount of public involvement. So the early portion of 23 is really us getting our house in order, making sure that we have some of those plans, like that community engagement plan in place and move forward from there. And this will get more populated as we get further along in our process. Once we get through the actual adoption of the plan, we go through implementation strategies. I won't go through all of this, but this is where you get the development regulations that kind of come out as a result of how you're going to implement those plans. And so even though it is kind of a ten-year cycle, the plan has a much more active lifecycle in terms of being able to update those.

Blake Lyon: And those are something we can do on a yearly basis. When we look at the legislative sessions now, as Dan can tell you, and it's probably as others in the room know, that there's been a pretty strong focus this session on different housing elements. This is just a snapshot of some of the different pieces that have come out of that. You know, we focused a little bit. I've put up there 1337 on accessory dwelling units. That's for those that aren't familiar with it, it's an allowance of two ADUs per lot and it can be in a variety of different configurations. And so there were two different bills. The other ones have dropped off and House Bill 1337 did get through both chambers. And so we're waiting for that to be moved on to the to the governor for signature. There's a range of affordable housing. I put a few of these in kind of this slight yellow color, probably most notably this 5466 did not make it out. There was when I was putting these together, these were still kind of pending and waiting to see there's a potential that this might get through with some of the capital budget stuff, but more than likely it will not make it out, at least

at this point. So I'll touch on those in a little bit in greater detail. To get back to your comment, Sarah, about kind of where we are. We're not quite at 50-50 split in the city. We have, you can see in the kind of yellow or goldenrod color there, about 19,000 units existing that are in single family, but those dominate about 70% of our land area. So we have a strong commitment to that in this community in terms of the amount of land we're utilizing. But the unit counts are a little bit different. The orange is where you get multifamily and we get a little bit in the duplex units in here in the blue. When we think about it from a rental perspective, we're about 54% of our community is made up of renters, but those are consolidated in a couple key neighborhoods. And then a little bit of a smattering throughout. But there are definitely some areas that have a much lower yield in terms of what the rental community looks like.

Ryan Allsop: Does that include college students?

Blake Lyon: Yes, it does. This is broken out by neighborhood. So again, you see the yellow being the single family, the blue being kind of the duplex, and then you get into the orange and the multifamily so you can see how the distribution of those and how they're proportionally distributed as well. This is a repeat of what I showed you at the last meeting or at least spoke to. This really speaks at the volumes of this down here. Um, so this is basically a little over 20 years of looking back at our unit production. This is really what is continuing to play a big role in our considerations is the fact that we had that kind of five-year span where we just saw little to no, you know, capacity in the in the community. And even though we're trying, to Guy's point, trying to build our way out of some of those things, there are some challenges, some limitations associated with what that looks like.

Clark Campbell: Are those permitted units or completed units?

Blake Lyon: Those are completed. The challenge also we saw is when we look at our population growth and changes that we did, that same five-year period, we didn't see a decline. People were leaving the community. So even though we weren't building the units, it didn't it really didn't change our rate of growth. And so we continue to see. So we're going to have to quote unquote over build, I guess, to make up for that lag a little bit. And there are some challenges in doing so. But we want to make sure that we can address that and look at ways to do that. The other challenge that we're facing here is, you know, a little bit of those median home prices in the last five years, those have increased 52%. And this kind of gets a little bit at what Ryan is using in terms of the graph and the charts. And the median income just really hasn't kept up with the home prices and or the rental prices. And so we start to see a bigger gap of what is affordable in this community. When we look at that, Bellingham being the column there on the left, and we start to see that about 41% of our households are cost burdened or severely cost burdened. When you look at if we were to pull that out for just the rental market, it's closer to 58% is cost burdened. So basically one in every more than one in every two people that rent are cost burden. When you look at it from a statewide perspective, we are number two in the state for Whatcom County in terms of how many of our folks are cost burdened. So it's definitely a target that we need to address.

Blake Lyon: These numbers are, I took these off of the original forecast. They've been updated and adjusted slightly and gets a little bit of what you're talking about earlier where Whatcom County has this.

This is the first time in our history where we're actually seeing those broken down over the income ranges. So this is slightly higher. It's still in the 34,000 range, but it's like 34,300 and something now. And so we know we need to begin to address that. The challenge that I showed you earlier in the graph where it shows 1200 units, challenge is not many of those are actually affordable. So when we talk about that affordability range, you're really talking about kind of these four columns that are in this area and the need to address those in a meaningful way.

Blake Lyon: Now, this is just my quick math on this stuff. I'll leave this up here for a second. But when you think about it from a 20-year time span countywide, we need 1700 units a year. If you look at that same Buildable Lands report for that same five-year increment, the city of Bellingham was doing 644 units, which equates to just less than 50%. So 48%. If you take that same vantage point and say, okay, that 34,000 number and you say then Bellingham share of that 34,000 is the 16,000 number there, which equates to about 823 units per year, we're averaging closer to 650 that you see up there. So we really need to make sure we're getting that kicked into overdrive to be able to meet the demand that's out there currently. Now focus a little bit here on the housing supply in particular. We saw this same graphic that Ryan provided. So I won't go into this, but just this is about, you know, getting the narrative out there, talking to folks in the community, showing different illustrations and examples where you can get all of these different examples of middle housing and do so at a scale do so with a form that that is less objectionable. Because oftentimes my experience is that people are often responding to bad architecture or urban design, and they don't really know. If I put multiple projects in front of you, they couldn't somebody couldn't just look at it and say density, which is really a math equation, is, Oh, this one is more than that one.

Blake Lyon: And they don't really know what they're responding to is just how it feels in that intrinsic value that comes out of that issue. This is an example we were talking about that Michael mentioned. Is that kind of that inter-generational or multi-tenant house? So this is an example of a home scale where you could you could get three units on a particular lot. And this becomes increasingly important as you start to think through what the state's doing, what House Bill 1110. And if you apply that specifically to the city of Bellingham, we are a city of over 75,000, which means that you have a by right use now of four units per lot, and you can have up to six if the fifth and the sixth are affordable. So we need to start seeing another piece that comes out of that. That piece of legislation is that you cannot do any more of a regulatory context than you would on those single-family homes. So if you don't have design review, then you can't do design review for the multifamily and it makes it so that you have to do if you do have design review or if you are doing permitting, it's done at an administrative level only. So you aren't going to have planning commission or a design review board.

Blake Lyon: So having clear and objective standards and not subjective criteria that is going to be critical in doing this. Now one of the pieces that we're framing up for us is showing people and taking a little bit of the maybe the fear and anxiety of it. So I just I use this as an example. So we have on the left is the zoning code. So you can see kind of the yellow is the traditional single family and the right is the existing what's on the ground right now. And I use this as an example to show people and say there are a lot of multifamily duplexes, triplexes, multi units embedded in these existing communities, and yet there's not a

lot of people that are overtly objecting to those things. And so showing them that these already exist within our very own communities is a big part, I think, in breaking down some of that concern. So we start to and I'm just going to zip through these a little bit.

Michael Lilliquist: If I can comment on that, that yellow and orange division, that was actually created about 15 years ago where they intentionally tried to put the yellow where it was multi single family and they tried to put all the orange and red where there was orange and red. In other words, that's sort of optimized to try to make it as clean as possible. And even in the cleaned-up version, you still have orange. So prior for that reason, 15 years ago, that was all blurred together even when you tried to impose clarity here, this is what you still get.

Well, and I think that speaks to kind of the artificial construct of zoning. And if you get back to more form based zoning, form based stuff, yeah, we've had these conversations. So you get into that kind of stuff and you say, okay, most people when they look at this, they think of that as a scale of the traditional single family home, especially a pre-World War II one. And you really wouldn't know that that is a multi-unit building unless you were looking at a meter on a wall or maybe a mailbox out front. And so we want to try to show that every one of these examples that I'm showing you in here is a multi-unit building. You know, now this is a duplex. You can see the side-by-side doors and here, one here and one on this side. But this again, is used to break down different ways in which you can say, hey, these are not necessarily you don't have to be hugely averse to some of these. This is actually the same building, just two different sides of this door here, kind of the basement unit. And that's what Ryan said. Hey, if I could if I convert my basement into another unit, who's that really impacting and going through some of these different details? Some of them are in attic spaces or rooflines units over garages, you know, things like that.

Blake Lyon: You know, different scales. This is a little bit bigger scale. So you're getting four, six units per building. But again, still not at a scale that's completely dominating the community or creating huge objections. So we also have a tool that the city developed a number of years ago, which is our infill tool kit. One of the things that I'm particularly trying to look at is ways that we this is what we say we want and how do we get more efficient at delivering some of these. You can see the map on the left is a range of the units that have been completed, approved or are in application, but this does not apply to the totality of the city. It only applies in particular areas. Now new state legislation. We can look at whether or not that can have a broader adoption rate there. It allows for nine different forms. And this speaks a little bit to what Ryan was talking about earlier, which is, you know, allowing those townhomes or maybe some of the other types. And we've got some of that within the community already. And again, trying to share with, you know, folks that may have concern about their traditionally single-family neighborhoods and how this can be done. We've got relatively solid examples about ways that have been built throughout the community. So again, bringing that back home a little bit, it doesn't have to be scary.

Blake Lyon: This doesn't have to be something that we lack familiarity with. We've got a few demonstration projects and are looking at ways of making sure that that can be communicated effectively over a broader scope and scale. I'm not going to touch on this one a little bit that much because I don't think it's going to pass. But this is in response to 5466 that was looking at transit-oriented development

near our station area plan. So if you want to go into that, I can go into it a little bit greater detail, but it doesn't look like it's going to move forward. So I'm going to take the last few minutes and touch on a little bit of the housing memo. I tried to break it down. I don't expect you to be able to read the image on the right, but just to kind of give you an idea of where we are. So anything that you have there that's highlighted in green is stuff that we are actually taking some measurable steps on trying to implement them. Those that are in white don't mean that we're saying no to it just means we have to prioritize based on what we have. So we certainly understand and appreciate the desire to reduce complexity and cost. And we're working on several efforts to do that.

Blake Lyon: Some of this stuff is, you know, based on the things that are coming out of the legislative session are kind of preempting our efforts. But we're right there along with them. And we've been working with the state legislators on making sure certain elements of those pieces are reflecting some of the values and concerns we have. So one just minor example on that. As I was working with Representative Ramel on House Bill 1110, because it talked about single family basically zoning exclusions or preemptions across the board, and we put quite a bit of effort into preserving and protecting Lake Whatcom watershed. And so we worked on getting some additional language in in the legislature to make sure that we can protect and address some of those things. And so I'm happy to go through in the interest of time, I'm not going to go through each one of these. But just to kind of give you an idea, we have been going through and trying to track and monitor a wide range of these, and I can maybe give Sarah and give you a little bit more detail on these. But in the interest of time, I'm just going to mention that we are paying attention to it, trying to address all of the various different components. And so if you need to reach me, email is probably the best.

Sarah Rothenbuhler: Thank you. That was great. It would be nice to hear more about the memofrom you. And you also helped us with the memo, so thank you for that. Does anyone have any questions?

Frank Imhof: Yeah, I had a question. Did you say you have a tribal component in there?

Blake Lyon: Yeah. That's part of the new requirements.

Frank Imhof: I didn't see anything on that.

Blake Lyon: Part of it means we're working. We have to work with the tribal community to make sure that they have a voice and a representation in the next Comprehensive Plan cycle so we can reach out to them. It's their choice as to whether they want to engage or to what level. But we have a commitment to making sure that we're making that available.

Frank Imhof: So they put money into helping us.

Blake Lyon: No, but it's a matter of just it's a matter of just making sure. It also feeds into that diversity, equity and inclusion piece and making sure we're the Comprehensive Plan is representing, you know, all aspects of our community should.

Frank Imhof: Wouldn't that be more specific than what you're talking about, because I've seen projects where you're likely to get all done and then you go to the tribe and they say, Well, we'll approve it if you give us 5 million dollars.

Blake Lyon: Well, keep in mind, this is not at the project level. This is at the policy level. So one of the things that we're trying to make sure of is that we get that early feedback. So it helps drive things and gets into those development regulations and gets on the front end of those planning efforts rather than waiting until it gets to that project specific level.

Tyler Schroeder: I think there's a big county component to that conversation as well, right. Because there's a lot of Lummi Nation, Nooksack Indian Tribe, actual trust land properties that have an overlay of county zoning and county Comprehensive Plans. So I know that Mark and staff have talked a lot about engaging them upfront, having to understand what that looks like from a Comp Plan zoning standpoint on some of the tribal lands.

Sarah Rothenbuhler: A collaborative approach.

Blake Lyon: And because we're, you know, we're only one city within the county, we will take our Comprehensive Plan, we'll feed it into the county process. They will do that. They'll collect all of them from the local jurisdictions as well. And then ultimately that will be combined and provided to the state for all of us to do that.

Kathy Kershner: Yeah. I'm looking at the memo that you sent to the County Council in January. The housing crisis memo. Have you had any feedback from anybody in the county about that?

Sarah Rothenbuhler: No. Not that I'm aware.

Ryan Allsop: Satpal responded.

Sarah Rothenbuhler: Sorry Satpal, we have not heard from the council as a whole.

Satpal Sidhu: But we did reply to that.

Kathy Kershner: Yes. Satpal's memo and Blake also responded. And then who could I connect with on this committee to ask some more questions about the memo? Is there a group of people? Dan?

Sarah Rothenbuhler: Dan and Troy. Who are in charge of the Housing Sub Committee.

Kathy Kershner: Dan? Thank you. We're talking tomorrow, right?

Ryan Allsop: There's a lot of commercial land. Obviously, there's been taken out, you know, burned out, converted GP and stuff. But there's other land in the city that's light industrial that could potentially be high density housing. Is there dialog at the city level, since that's what you represent, to potentially converting some of that? I'm thinking specifically of saying like I know tried to upsell or change zoning or Fairhaven, you know, so we're very protective of that land, but it's also not getting utilized for industrial. So we have a high, high need. We don't seem to have the need right now or at least I know the port might disagree, but you know, we do need warehousing, but it's not being built because the math doesn't work.

Blake Lyon: And it's an interesting policy level discussion. Because you don't want to make it so easy that it gets gobbled up and then it's harder to retract it if the if the economy shifts. So one of the objectives from a broader perspective is trying to maintain a diversified land use portfolio. So it's constantly a question of how much and where and so pushing and pulling and stuff like that. So that is one of the pieces that will be anticipated in this new Comp Plan cycle discussion. The other piece that often comes up kind of in concert with that is this idea of urban growth areas, annexation, and obviously we've got a relationship with the county in that respect because we have to make sure we understand what they.

Ryan Allsop: I guess maybe conceptually like what about mitigation banks, so if you're a developer with land here, but you could buy something on the I-5 corridor, say on Ferndale. I mean Frank sells property up in off I-5 corridor there would be better utilized for warehouse right on I-5, right by an off ramp, versus downtown Fairhaven, which you know, residential and high density needs and stuff. Already has city water, sewer, all those things. Is there any trading with the county on the cities.

Blake Lyon: And you touched on it just there. I mean, the idea of maintaining that that land use portfolio, but not entirely within our sphere of influence. So we're relying on our other partners to think about it at a broader regional perspective. Then maybe there's an opportunity to do that. We've been working with our public works and natural resources folks about the opportunity to do mitigation banks. There's a federal component that comes into that and, you know, for and other folks involved. So that's definitely a challenging piece with the stormwater, the wetland mitigation. I mean, all of those and you heard Ryan talk about it a little bit and those are the parts that oftentimes are.

Michael Lilliquist: If I may, I think there's probably greater tension between industrial light, industrial lands and housing and the North Park community. So King Mountain is considered a great housing opportunity, but it's also adjacent. If you go this way to Van Wyck, you're close to commercial lands and this way of Irongate. And I'd want to be personally very protective of Irongate and Meridian, and there's King Mountain in between. So there's going to be a boundary there that we need to discuss very carefully.

Kim Lund: I had a question about the middle of your slide deck when you were looking at inventory projections on units we're going to need to build. And it looks like it's been about 48% of the county mix. So that's been 600 some. It's now being revised to 800 some with the new figures. But I'm wondering, is 48% the right number because we've done that historically, is that the right burden for Bellingham? Should we be revising that?

Blake Lyon: Well, and I think that's a broader question that we have as a whole as to whether or how much of those other communities able to or willing to absorb. We have to consider things like where the job centers are and where that growth is supported because we don't want to deal with what causes this suffering, which is those vehicle miles traveled. So we've seen, over the last probably 10 to 15 years, we've seen about 40% of our growth coming in our urban villages. You know, is that the right mix? Is that what we want to be doing? I certainly think that there's real value in the urban villages and the infill. We're going to start to see that conversation taking a much different tone with the passage of House Bill 1110, because we're going to see that infill component being a much, much more robust piece of that. So I definitely think it's more of a yes and proposition. It's not a either or. Yeah, we have such a demand out there. We have to think about ways to do quite frankly, like Ryan was saying, all of it we need a bit of all of it. And it's a matter of, you know playing with the knobs and twisting and turning and saying, okay, what percentages are right? And there's no crystal ball in that. We just have to kind of think through where our values are and what our priorities and objectives are and see what we can do.

Sarah Rothenbuhler: If you all don't mind, we're going to go about five minutes late to give you a chance to talk public safety. And then we've got about four more people who want to ask a question. Who was on screen?

Gina Stark: Scott Pelton with WHA has a question.

Scott Pelton: All right. Blake, do you know what percentage of those cost burdened renters are students or do we know, is there a way to parse that out?

Blake Lyon: I don't have that with me right now. But what I can tell you in terms of this stuff I have committed is that Western has between 15 and 16,000 students, give or take, in any given year, and about 25% of those, so about 4000, are provided for on campus housing. And the balance of those get housing out in the community. How many of those individuals are cost burdened? I don't have here. We probably have a way of looking into that right now.

Blake Lyon: Yes, I'm sorry. And in some of my conversations with oftentimes it's a question of whether or not you have a cosigner. So while the students themselves might be cost burdened, if they have their parents cosigning for them, it may not. It may skew the data a little bit. So we just have to kind of dive into that a little more.

Bill Geyer: Blake there's two conditions currently that relate to overall density that we're trying to drive towards. And one is that we have about nine neighborhoods that have various amounts of zones that are two units per acre and some even a little bit less around two per acre from 1970s. The second piece is we have areas around the city that have been in the urban growth boundary for about 38, 39 years. And we know that you cannot build in those areas in urban density instead of city water and sewer. So we have areas that are out there as nuggets that could contribute drastically to helping with the housing supply issue in this current Comp Plan redo. Those two policy areas we approached to bring into this equation.

Blake Lyon: I think one of the things that becomes critical in looking at that is, you know, the capital facilities plan and piece of that is, okay, can we provide some of those? It also begs the question of whether or not those particular areas come in with a mix of uses and types that are more reflective of where we as a community may need to go in terms of the missing middle. So is it is it establishing minimum density requirements that establishing a range of housing types? Is it looking at those things? And then we also have to consider into that the other services that are necessary, you know, police, fire, so on and so forth. So is the conversation going to happen? Yes, that's absolutely part of our thought process and something that we'll be bringing forward to the city council to make sure that that can be a robust conversation. But it also is one of those things where, okay, if we're going to expand that conversation out further. What's the cost of doing business in those particular areas. And I don't have an absolute for you on that at this point. But it is a conversation that we need to have.

Ralph Black: Ralph Black, Alliance Properties. Two questions. One is both presentations were heavily focused on infill regulation changes within the cities, but very little about green fill. And we have large green fill areas, especially City of Bellingham, that can bring a lot of density online very quickly. And question one is, are we going to have the discussions about what changes we need in the rules for these infill areas to bring the density on? And then the second part of the question is, will you be engaging the building development community early on so that you can get feedback from them, what they need to bring on units quickly and cost effectively? Yeah.

Blake Lyon: The second part of that question in terms of engaging. Yes, that's absolutely part of that public outreach strategy and making sure we can address that. The first piece of that with regard to, you know, we have that process right now with the Urban Forestry Management Plan that also informs our clearing and grading. I know you've been an active participant in that. So looking at those balances and in any Comprehensive Plan cycle and you know, it's about finding that balance between competing priorities. So we have a large contingency within our community that has an interest in environmental stewardship and preservation. So it's about looking at the land, balancing those particular needs, understanding that. But coming back to the concern about cost of development, time, speed to market and, you know, a variety of those things. So it's about how to find that balance. And if there is such a thing as a sweet spot, in that conversation, how to do that.

Sarah Rothenbuhler: Two more. Casey and Guy, whoever wants to go first and then.

Casey Diggs: With 1337 and that stipulation that you had until basically January 2026, why are we using this term housing crisis if we're going to push something out almost three years? Right. Can we do 1337 right now by law? Could you make that happen next week?

Blake Lyon: Next Monday, we're taking to the city council. They have been already considering a variety of changes to the city's ADU regulations. And one of the ways that the staff report is currently been drafted and it won't be finalized until the end of this week is to is to set that option, set the stage for that. Do we want to, you know, we were probably 85% of the way there already. There's a few topics in 1337 like owner occupancy and the number of ADUs and a few things like that that are a little different from

what the city was anticipating versus what the state has taken action on. So we have that option of advancing that forward now and not waiting or we have the opportunity to, you know, wait the two years. But the way that that bill is drafted, if we don't do anything by the 26th, then that that becomes effective and it supersedes any regulations we would have.

Casey Diggs: This might be a question for Michael or Dan, but how is City Council feeling about the owner occupied?

Blake Lyon: They have the draft staff.

Casey Diggs: To how much political capital are you willing to expend right now on that? Okay. Thank you.

Guy Occhiogrosso: Okay. So I guess my question revolves around the intention of this body. And I would also say the broader stories that we tell ourselves as our community. Number 1 in 2017, 2018, when the first letter that went out, it was framed on the fact that our employers don't have enough housing for the staff that's needed now. And yet when we talk about housing policy, we're just talking about housing. So we don't carve out those two components. And the remote work, what we call remote work now, we don't really have a good grasp of that impact on housing policy. I would also say that we as a community have experience that. Displaced work live scenario for decades. And that goes back to the stories that we tell ourselves. When I moved here in '04, which was prior to the dip that we saw, we had a housing issue, right. It was referred to me as a post college graduate at the time. Oh, this is called the Bellingham tax, right? You're going to get paid less and probably have to pay more for housing, right? I've not heard that term as much in the last few years as I did then. But I do think it's an end result of lack of housing. And I think we've just seen it further and further now. But getting back to the stories that we tell ourselves, we've been a remote work community for decades. So I do think leaning into policy and I mean, I'm going to tag-team Blake in here to come up with these because I don't have the answers. I just see the problem of this exaggerated scenario where you don't necessarily live where you work anymore. And how do we as a community develop policy that allows our employers that need people here to have enough housing for people that are here? And I don't want us to get lost in the nuances of policy, because it can get pretty nuanced, because I do think that's the intentionality of this group or the original housing focus of this group is to local employment for local employers.

Sarah Rothenbuhler: Thank you, Guy. And for overall planning, and the AMI focus growing beyond the 120% and beyond the 160% and to 200% this spread is where a lot of our employees are. The more we are considering up to 200% AMI the more helpful it is for employers, employees and staffing.

Blake Lyon: And just to give you a little context about the complexity of what Guy's talking about. So we have a citizen initiative right now about changing the minimum wage and increasing the minimum wage. But just to kind of frame up a little bit of how complex that can get, is that okay, now you start to do now you start to do that and let's say we contemplate that that changes AMI, that drives it up. So that means that that means that those what's affordable to people also comes up. But our seniors that are on

fixed incomes aren't getting more. So you're pricing them further out of the market. Know so again, I'm not saying right or wrong, it's just everything has an action and reaction to it. So we just have to think through the complexities of those various things.

Sarah Rothenbuhler: It's time, we'll table this, thank you so much Blake. And now we'll just move to another easier to solve issue regarding our Sub Committee of Public Safety. [Laughter.] You have the floor.

Lyle Sorenson: Thank you. A quick public safety update and we're running over time, so I'll try to keep that brief. Those of you who know me may not believe that statement. So first off, I'd like to congratulate Mayor Fleetwood and the Council on taking some steps that are active, and not letting perfect get in the way of good, as Satpal has on his bulletin board at his office. But he's pointed out to me many times, and I think that's I think that's a good policy. You know, we don't want to let perfect stop us from doing something. And so anyway a couple of the issues we've talked about on public safety here, we had Jeff Dunn and Buddy Johns in to give us presentations back in November, and then we had Buddy about a month ago as well with an update on the interim stuff. They are still currently working on the modular solutions. They should have a ring and a date for us to be able to hands on, get through some of those facilities to see what they've got in the works there. For those of you who aren't familiar, they've got Coastal Detention, has a joint venture with a company called Mod Core to produce modular 30-year life detention grade facilities, something that we could use for the interim five years. We're working on a you know, we're working on a long term jail solution. But our lack of carceral capacity is really, as the city's found and everybody is finding is really impacting public safety. So this is a pretty good potential solution for that. Hopefully in the next 30 or so days, we should have kind of a ring and a date for when we can set up a tour to see that stuff. And then Jeff Dunn, who's been reaching out there, is a funding mechanism and we talked about it before. It's been a little bit controversial, but of course they would actually build a permanent jail for us and lease it back to us for 30 years. They would take care of all the maintenance and everything. They're pretty much good to go. The one thing that we really need from county to make any of these things really work or fly is we need an updated needs assessment done by DLR or whoever that we used in the past for consulting. That's kind of a really basic first step. And I don't know if that's on if that's being slated yet or not, but I've heard two different viewpoints on that. One, that people don't want to talk about size and numbers before November and one that people do want to talk about size and numbers.

Sarah Rothenbuhler: Is a needs assessment in process.

Satpal Sidhu: I was going to just update that. The needs assessment has been issued or shared with the council more than a month ago now.

Lyle Sorenson: That's the Justice Project. So that's not a professional consulting needs assessment and it doesn't address the needs for the numbers. If we go back to 2013, DLR conducted a needs assessment for the county on retainer. And what that said is that we needed 649 beds to get us through 2026. In which I would argue is was pretty accurate based on the restrictions of the place.

Satpal Sidhu: What we did was we split it into two pieces. One piece needs assessment by Stakeholder Advisory Committee. They started in January of 2022 and they completed in November, which was given so 11 months. They gave it to the council, which they made the recommendations as to where, why, how, what services all these 5 or 6 different major topics that the council came back and

Satpal Sidhu: Signed this duty of implementation plan. Which is underway right now to the Incarceration Prevention Task Force. So they started their work right in December. And this is another 30 people. And they have already had meetings on the size. We've already had meetings on the location. There are five different elements we are working on, and that report is due to the council in the next four weeks or so. Right. So there is a lot of information which is on the website. This is nothing going on in secret or nobody knows. If people are interested, I can share that with you. That would be great. You can do this. It's already all out there that what is the current total.

Lyle Sorenson: But the question is, do we have industry professionals who do this for a living on that committee? And when I say industry professionals, I'm talking about people who work nationally to do that.

Tyler Schroeder: Yeah, I was just going to say, that committee actually looked at the study and reports and findings that were issued. And then had some dialog about it.

Lyle Sorenson: Is there an updated DLR report?

Tyler Schroeder: No, there is not. They're utilizing that information from the [indistinct] designers.

Lyle Sorenson: That was done in 2013?

Tyler Schroeder: Yeah. Yeah. Based on that background.

Lyle Sorenson: So, so that's what I was asking is if we're going to retain DLR for an updated report.

Tyler Schroeder: I would just caution while the jail utilization has been drastically lowered—.

Lyle Sorenson: Because we have booking restrictions...

Tyler Schroeder: Yes. Because we've had booking restrictions, right. And because we've had COVID restrictions. So it would be really hard to actually utilize data from 2020, 2021, 2022 that established this site.

Lyle Sorenson: With all due respect, we have 10,000 outstanding warrants. I think that says a lot.

Sarah Rothenbuhler: So all good topics. Thank you, everybody. Really appreciate it.

Dan Dunne: And one quick question. Blake, I appreciate your response. I know that you've worked on the policy letter as well. Would there be either a chance to discuss that a little bit at another meeting or maybe even meet after this meeting?

Satpal Sidhu: I mean, we have Mark Personius on the line as well. That's fine. Another time, sometime another 20 minutes and we can come back.

Sarah Rothenbuhler: Should we aim for the next meeting or June?

Satpal Sidhu: Or just our scheduled meeting and talk about county. One thing I just wanted to add for everybody, you know, we as a community look at next 20 years, that's what the Comp Plan is. In the Comp Plan, we must look at a large wetlands bank. We were going to start of course, COVID came in and everything. And rather than city has a wetland bank approved, very small one. But we should look at our need because the only land left we have is either critical area or has a buffer problem or shoreline or all these things. That's all. The land is left for us now within cities, outside cities, and we should preserve the land as much we can, even if the green land. But to do that, we must look at a 25-year plan and build a large, 4- or 5000-acre wetland mitigation bank for our community. And that can happen if it is part of the Comp Plan and it is all the different communities' interest, stakeholders, cities, everybody is involved in that. We should go at it like all Whatcom County needs that.

Ryan Allsop: Can I throw all in that response directly? Can we think outside the box a little bit? Like we have the land around the lake. We're trying to protect the watershed around Lake Whatcom, and we're currently having a tax on our tax assessments every month or that it goes towards buying that, the Greenways Levy, right, to buy land. Why don't we let private developers buy that land instead, put that money to other uses and stuff?

Satpal Sidhu: We already have land. We as a community through the conservation dollars, whatever the name is, Whatcom Land Trust has 30,000 acres easements in Whatcom County, which has been exploited by different types of government funding over the last 3040 years. And that land is not going to be built upon again means its open land. It comes out of what we are doing is taking enhancing that easement, enhancing that land, which already exists with public dollars. So we I'm not proposing we should go buy 5000 acres. I'm saying we should have a policy and approval of that which we can already partner with that and use that land to enhance so that we can build on the rest of the economy. We don't want to take up any more land. We should preserve the ag land.

Ryan Allsop: But if what if private developers were able to buy that land back and not develop it? And then and then you take that money and turn it and convert it to, you know, middle market income, low-income housing and stuff. We actually it becomes protected and protected from Whatcom County. It's the same thing, but I don't think that's what we're using as taxpayer dollars. I'm saying buy it. Let the private market buy it back and you already have the bank and let us actually develop elsewhere using that mitigation thing and then fund a bunch of other projects.

Satpal Sidhu: It's a little more complicated, but I'm more than happy to—

Ryan Allsop: Our job is to sit down and simplify.

Sarah Rothenbuhler: All good conversation. Thank you so much to our speakers. Thank you all for your input everyone. Thank you.

Next meeting: Monday, May 15, 2023 11-12:30pm

Hybrid Meeting - In-person encouraged and Zoom option available

Invitation extended to County Council for Comp Plan update, Housing Legislation, WCBCC Housing Memo

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