

Chapter 9**HOUSING****Existing Conditions****Number and Type of Housing Units**

Year 2000 US Census. The year 2000 US Census data shows that Birch Bay was the fastest growing area in Whatcom County. Housing units grew from 2,699 in 1990 to 5,105 in 2000, resulting in an 89.1 percent increase. For the same ten year period, housing unit growth in Whatcom County amounted to 48.8 percent. Based on the 2000 U.S. Census, the average number of persons per occupied housing unit amounted to 2.33 in Birch Bay and 2.26 for Whatcom County.

The US Census defines Birch Bay as "Birch Bay Census Designated Place." The boundaries of the Birch Bay Census Designated Place are somewhat larger than the Birch Bay community planning area. The boundaries of the Birch Bay Census Designated Place and the Birch Bay community planning area are shown on Figure 3-1.

Birch Bay Community Planning Area. A housing unit count was conducted in the spring of 2001. Table 9-1 shows the type and number of housing units counted in the Birch Bay Census Designated Place. Housing units were classified as single family residential units, condominiums or apartment units. Since the survey was a drive-by survey, it was not possible to determine with great accuracy whether a particular unit was a market rental apartment or a condominium. There were 2,933 single family units, 394 condominium units, and 35 apartment units, a total of 3,362 housing units.

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**Table 9-1
HOUSING CHARACTERISTICS
Birch Bay Census Designated Place - 2000**

Data	Birch Bay CDP*	Whatcom County	State of Wash.
Housing units			
Total housing units	5,105	73,893	2,451,075
Occupied	2,125	64,446	2,271,398
Vacant	2,960	9,447	179,677
Seasonal / occasional use	2,620	5,946	60,355
Vacancy rate			
Home owner	6.0	2.2	1.8
Rental	21.1	5.7	5.9
Occupied housing units			
Owner occupied	1,614	40,876	1,467,009
Renter occupied	511	23,570	804,389
Average household size			
Owner occupied	2.28	2.63	2.65
Renter occupied	2.49	2.31	2.32

Government Housing. Whatcom County Parks and Recreation Department leases a 30 bed youth hostel, located at the Bay Horizon Park. In addition, the Whatcom Housing Authority, a governmental organization, owns and operates 24 single family homes, know as Loft Lane Homes, located at the northwest corner of the Bay Horizon Park. The 24 single family homes are enrolled in Section 8, US Department of Housing and Urban Development's rent subsidy program.

Cost of Housing

Single Family Home Sales. As reported by the Whatcom County Real Estate Research Committee, there were 189 single family home sales in the year 2000, in an area they define as Birch Bay. In

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general, their definition of Birch Bay includes all of the Birch Bay community planning area plus all land south of Drayton Harbor and includes Semiahmoo Spit. The total dollar value of the 189 sales amounted to \$36.8 million, resulting in an average sales price of a single family home to be \$194,900. Subtracting out the high and low at each end results in an average sales price of \$180,900.

Since the Birch Bay community planning area excludes all land north of Lincoln Road, a number of single family home sales need to be subtracted from the previous totals. Within the Birch Bay community planning area, there were 159 single family home sales in the year 2000, totaling \$25.7 million. The average sales price was \$161,500. Again, subtracting out low and the high on each end results in an average single family home sales price of \$144,300.

In Whatcom County, during the year 2000, there were 2,911 single family home sales, totaling, \$486.2 million. The average sales price amounted to \$167,000 while the median price amounted to \$144,500. There were 140 fewer sales in 2000 than 1999 but the average sales price rose 6.2 percent while the median sales price rose 3.2 percent. Average price is sensitive to the number of high-priced homes sold, the median price is a superior measure of price appreciation in the market. The median new home sales price of \$165,600 in 2000 was below the median new home price of \$166,900 in 1999 by about 0.8 percent.

Condominium Sales. Condominium sales in the Birch Bay area in the year 2000 amounted to 43 units with an average sales price of \$93,500. The average size of a condominium in Birch Bay was 1,028 square feet with an average cost per square foot amounting to \$92. In Whatcom County, there were a total of 342 condominium sales in the year 2000 with an average sales price of \$118,500.

Apartment Rents. The Apartment Vacancy Report, published by Dupre & Scott Apartment Advisors shows that the average rental paid for an apartment in Whatcom County in year 2001 declined to \$608 per month, down from \$613 the year before. The average rental rate ranged from \$443 per month for a studio apartment to \$836 for a three bedroom with two bathrooms apartment. The vacancy rate for apartments in Whatcom County in the year 2001 amounted to 2.6 percent.

Cost of New Construction. The Whatcom County Real Estate Research Committee reports that the average price of a new house in Whatcom County in the year 2000 was \$189,800. A new house in the Birch

Bay Area (includes the area north of Lincoln Road) was \$227,200. The most popular new house in the Birch Bay Area was a three bedroom home of 1,782 square feet, costing \$203,400, resulting in a \$114 per square foot cost. A summary and a comparison of housing costs by type of housing and by location is shown in Table 9-2.

Absentee Ownership Factor

Many houses in the Birch Bay community planning area are second homes and remain vacant for significant periods of time throughout the year. Some homes are occupied on weekends and remain vacant during the work week. Of the 5,105 housing units in the Census Designated Place, 2,960 are vacant. Of the 2,125 occupied housing units, 1,614 are owner occupied and 511 are renter occupied. The persons per owner occupied housing units are 2.28 and persons per housing unit of renter occupied units are 2.49, resulting in a weighted average of 2.33 persons per occupied household in Birch Bay.

Households by Income Group

Household Income. The Washington State Office of Financial Management reports that median household income in Whatcom County in 1999 was \$40,637. The median household income for the State of Washington for the same year was \$47,897. The household income is incrementally broken down as shown in Table 9-3.

Column two in Table 9-3 shows the percent of total households in Whatcom County by income grouping. This information for the Whatcom County and is provided by the Washington State Office of Community Development. A significant part of the lower income groupings are made up of elderly over 65 years of age who are on Social Security pension and students attending Western Washington University.

Low-Income. For the purpose of this document, low-income is defined the same as it is defined by the US Department of Housing and Urban Development (HUD) and as stated below:

Extremely low-income	30 % of median income and below
Very low-income	31-50 % of median income
Low-income	51-80 % of median income

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**Table 9-2
HOUSING COST BY TYPE BY LOCATION
Birch Bay**

Type of Housing	Birch Bay Commun. Planning Area*	Birch Bay Area**	Whatcom County
Single Family Home			
Average price	\$161,500	\$194,900	\$167,000
Median price			\$144,500
Median price (modified)***	\$144,300	\$180,900	
Average price increase			6.2 %
Median price increase			3.2 %
New home sales price			\$166,900
New home sales price increase			-- 0.8 %
New home construction cost		\$227,200	\$189,800
Condominiums			
Average price		\$93,500	\$118,500
Average size		1,028 sq ft	
Apartments			
Average rental			\$608
Vacancy rate			2.6 %

* Birch Bay community planning area

** Birch Bay area, all of Birch Bay community planning area plus the area north of Lincoln Road and south of Drayton Harbor, including Semiahmoo Spit

*** Modified to subtract out the extreme low and extreme high values

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Table 9-3
ESTIMATED HOUSEHOLD INCOME - 2000
Birch Bay

Income Range	Whatcom County Percent of Households	Birch Bay No. of Households
Less than \$9,999	8.8	187
\$10,000 to \$14,999	6.8	144
\$15,000 to \$19,999	7.5	159
\$20,000 to \$24,500	7.3	155
\$25,000 to \$29,999	6.6	140
\$30,000 to \$34,999	7.5	159
\$35,000 to \$39,999	6.5	138
\$40,000 to \$44,999	6.0	128
\$45,000 to \$49,999	5.5	117
\$50,000 to \$59,999	9.1	193
\$60,000 to \$74,999	10.7	227
\$75,000 and above	17.6	374

The US Housing and Urban Development publishes the median annual income statistics. For reference, 2001 annual incomes considered low-income by HUD for a family of four in Whatcom County are:

Extremely low-income	
30 % of median income and below	\$14,900
Very low-income	
31-50 % of median income	\$24,800
Low-income	
51-80 % of median income	\$39,700

The number of households in Birch Bay that can be classified as low-income are listed in Table 9-4.

Poverty. US Department of Housing and Urban Development defines poverty as those households that earn less than \$12,000 per year. In Whatcom County, 11.6 percent of households earned less than \$12,000 per year in 1999. Applying the same percentage to Birch Bay results in 246 households being classified as being in poverty, those households that earn less than \$12,000 per year.

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Table 9-4
NUMBER OF LOW-INCOME HOUSEHOLDS
Birch Bay

Low-Income Grouping	Number of Households
Extremely low-income	332
Very low-income	314
Low-income	438

Affordable Housing

It is an obvious statement that different income household groups can afford different cost of housing. It is generally accepted that households that pay more than 30 percent of their gross income on housing are considered in distress. Differentiation is also made as to whether the housing is rental housing or owner occupied housing. Table 9-5 lays out criteria for affordable housing as it relates the year 1999 income and the conditions as they exist at Birch Bay.

Housing Demand and Supply

There is no visible evidence of homelessness at Birch Bay. Therefore, it is safe to assume that housing supply is meeting housing demand. There appears to be adequate supply of affordable housing that are currently occupied as seasonal residences. As the demand for year-round housing increases, these housing units may become the source of supply to the low income families that may wish to move to the area. However, are there some low income households paying more than 30 percent of their gross income on housing? If yes, then there is a housing problem that needs to be addressed. Table 9-6 compares housing demand with housing supply for a number of income categories.

The demand for extremely low and very low income level housing is met, primarily through the presence of mobile homes. In 1999, there were 678 mobile homes in the Birch Bay area. Of the total 678 mobile homes, 617 were assessed below \$75,000. An argument can be made that the housing demand in the extremely low and very low income categories are

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met through the presence of mobile homes. The above numbers need to be reviewed and adjusted after the year 2000 US Census data on housing becomes available, the summer of 2002.

**Table 9-5
AFFORDABLE HOUSING COSTS PER INCOME LEVEL
Birch Bay**

Income Level	Percent of Median Income	Yearly Household Income	Monthly Household Payments	Purchase Cost
Extremely low	0 to 30	0 to \$14,900	0 to \$373	\$44,700
Very low	30 to 50	\$14,900 to \$24,800	\$374 to \$621	\$44,700 to \$74,400
Low	50 to 80	\$24,800 to \$39,800	\$622 to \$994	\$74,400 to \$119,400
Above low	above 80	above \$39,800	\$995 and above	above \$119,400

Income level - based on HUD criteria

Percent of median income - based on HUD criteria

Yearly household income - based on 1999 county median income

Monthly household payments - based on 30 % of monthly gross income

Purchase cost - based on three times the annual income (owner occupied)

Projected Housing

Number of Households by Income Group

The number of households is projected to increase from the current 2,125 households in the year 2000 to 4,120 households in 2022. It is assumed that most of the 1,995 additional households that move to the area in the next twenty year period will be above the low income category. A natural reduction in the elderly group (65 years +) will take place. Some of the extremely low, the very low and low income housing units will be freed up and will be reoccupied by new elderly population moving to the area. Therefore, it is assumed that the growth in households from year 2000 to 2022 will be in the income category above low income. The cutoff for low income, in terms of housing cost is \$119,400 in year 2000 dollars. The demand and supply for low income housing from 2000 to 2022 will remain at the year 2000 level. Some of the low income housing need will be met by the conversion of seasonal cabins and cottages to year round residences.

**Table 9-6
HOUSING DEMAND AND SUPPLY
Birch Bay**

Income Level	Monthly Household Payments	Purchase Cost	Housing Demand	Housing Supply	Unmet Demand
Extremely low	0 to \$373	0 to \$44,700	332	NA	NA
Very low	\$374 to \$621	\$44,700 to \$74,400	314	214	100
Low	\$622 to \$994	\$74,400 to \$119,400	438	495	--
Above low	\$995 and above	above \$119,400	1,041	1,428	--

Housing demand - Source: Consolidate Housing Action Plan, Bellingham/Whatcom County Housing Authority, 2001

Housing supply - Source: Comprehensive Study of Affordable Housing in Whatcom County, Wm. T. Follies, Realtors, 1999

Number of Housing Units

The year 2000 US Census population count for Birch Bay Designated Census Place is 4,961 persons. The housing unit count is shown as 5,105 housing units. This means that there are more housing units than persons. The 2000 U.S. Census reports that 2,620 housing units, or 51 percent of the total housing units, were for seasonal, recreational or occasional use.

From the field counts we were able to determine that the mix of single family residential units and multi-family residential units was 87 percent to 13 percent.

It should be noted that the Birch Bay Community planning area differs from the Birch Bay Designated Census Place area. For example, the Census Place boundary extends up to Drayton Harbor, while the Community planning area northern terminus is along Lincoln Road. Also, the most eastern part of Hillsdale Neighborhood is in the Community planning area and not in the Census Place. The population in the Planning area is 4,485 persons, which is 90.4 percent of the Census Place population. To bring the housing count in line with the Planning area the above housing unit numbers need to be reduced by about 9.6 percent.

For planning purposes we have made an assumption that the mix of full-time single family residential and multi-family residential units in the year 2022 will have changed to 80 percent full-time single family/20 percent multi-family.

Applying the 80-20 ratio of single family units and multi-family units to the projected 2022 demand for full-time housing units results in 3,302 full-time single family housing units ($4,128 \times .80$) and 825 full-time multi-family housing units ($4,128 \times .20$). In addition, 4,128 seasonal or recreational housing units, are projected in the year 2022. The seasonal units will likely be a mix of single-family homes, mobile homes, condos and RV sites.

The net increase in housing units from the year 2000 to 2022 for full-time single family housing units is 1,383 housing units, for full-time multi-family housing units is 345 multi-family housing units, and for seasonal recreation units is 1,728, totaling 3,457 total new housing units.

Demand and Supply for Housing

The assumption is that the future housing demand will be met by three different housing market sectors. The low income housing needs will be met by existing stock, consisting primarily of mobile homes in mobile home parks. Resales of existing housing stock will take place. The above two housing market sectors will contribute to the effective operation of a housing market but will do very little in meeting the forecasted housing needs. New construction bears the brunt of meeting the forecasted housing growth in Birch Bay. As stated earlier, by 2022, Birch Bay is forecasted to receive 1,383 single family housing units and 345 multi-family housing units, and 1,728 seasonal or recreation units totaling 4,235 new housing units. The above forecasted numbers continue to make the assumption that the area will remain a resort community with a significant number of seasonal homes.

Housing Goals and Policies

Goal HO 1: To provide a mix of housing that reflects the residential and resort atmosphere of the community and that enhances individual neighborhood vitality.

Policy HO-1a: Provide for a range of income levels. In addition, there should be diversity in design while maintaining a commitment to quality.

Policy HO-1b: To encourage and provide incentives for housing projects that preserve natural resources, view sheds and wildlife habitat.

Policy HO-1c: To encourage and provide incentives for housing projects that help to foster pedestrian and bicycle access to both neighborhood commercial centers and community facilities.

Policy HO-1d: To encourage and provide incentives that emphasize energy efficient homes, businesses and community facilities.

Goal HO 2: To recognize that a key component to achieving the community's vision is the manner in which affordable housing is provided and maintained.

Policy HO-2a: Provide incentives and subsidies to preserve, while enhancing, existing affordable housing.

Policy HO-2b: Encourage multifamily and/or smaller lot size housing that meets the needs of special populations and that are located near support services and community facilities.

Policy HO-2c: Explore all available federal, state, local and private options for financing affordable and special needs housing.

Policy HO-2d: Implement programs and regulations for education, encouragement and enforcement related to the upkeep of permanent and seasonal single family houses and mobile homes.

Action Strategies

1. Promote and support land use planning decisions that preserve and enhance property values.
2. Encourage governmental entities, such as the Bellingham/Whatcom County Housing Authority to invest in low-income housing in the area.
3. Using zoning powers to maintain a healthy balance between single-family, multi-family, condominium and mobile home style housing.
4. Encourage cluster housing development thus preserving significant amounts of open and green space.
5. When designing residential subdivisions, design it with nature in mind, taking into consideration and utilizing natural landscape.
6. The Birch Bay Community Plan Steering Committee recommends to Whatcom County that the Resort Commercial zoning (RC) Chapter in the Zoning Code be modified to allow mixed use development where 1/3 or 33 percent of the floor

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area of a permitted multi-family residential structure can be constructed as commercial space, ranging from retail to services to office uses.

7. Promote residential development to take place on building lots that have already been platted (in-fill).
8. Assure that development impacts of major developments are adequately identified and mitigation actions implemented.
9. Encourage the Whatcom County Planning Department to require adequate low cost housing units when approving Planned Unit Development in the Birch Bay area.