

**WHATCOM COUNTY
PLANNING & DEVELOPMENT
SERVICES**

5280 Northwest Drive
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Hal H. Hart, A.I.C.P.
Director

MEMORANDUM

TO: Whatcom County Planning Commission

FROM: Troy Holbrook, Planning Supervisor
Carl Batchelor, Senior Planner
Cathy Craver, Planner I

DATE: October 20, 2005

RE: Comments on City of Bellingham Land Supply Methodology. Prepared
September 20, 2005

The Whatcom County Planning Commission held a Work Session regarding the Bellingham Land Supply Methodology on September 22, 2005. This memo combines comments and concerns raised at the Work Session with staff observations. The intent of tonight's Public Hearing is to formalize the Planning Commission comments and submit them to the City of Bellingham.

These comments are based on the Bellingham City Council September 12, 2005 Work Session draft coupled with the greater detail provided in the July, 2005 City of Bellingham Land Supply Methodology where such detail is not provided in the September 12, 2005 document.

Step 1. Identify lands which are potential candidates to accommodate future growth—vacant, partially-used and under utilized land (in other words, subtract all parcels committed to other uses).

COMMENTS/QUESTIONS:

- Re-developable land: (July 2005 methodology, p.1): Uses a threshold of 10% structural value to total value to determine re-developability (likely to support further or more intense levels of development). In the present real estate market, this is very likely inaccurate, particularly with larger parcels. 25-50% is more appropriate, especially for single family residences on lots that could accommodate multi-family development. For example, on Northwest Ave. south of W. Bakerview an established, well-kept stable neighborhood of single family homes on one acre and larger lots has been mostly replaced with apartment buildings over the last 5 years.
- Partially vacant land: (July 2005 methodology, p.1 paragraph 2) *"properties are viewed in the context of surrounding platted lots such that an entire subdivision of 12,500 square foot lots in a 5,000 square foot zone would not be considered for further development. Rather lots that are exceptionally large relative to the surrounding properties are identified as those with the most potential"* There is apparently no reason why a parcel will not be replatted if zoning allows. Two lot short plats I believe are fairly common.

Furthermore, “exceptionally large” and “the most potential” are not quantitative measures. How are they actually measured? In other words, how large and how much potential? “A final criteria filters out properties where the existing home’s structural value is more than \$250,000. This serves to eliminate mansion-class homes where the size, value, and position of the home on the lot make further development unlikely.” It is not a valid assumption that large lots with houses valued at more than \$250,000 will not be further subdivided. In fact, some people may have to sell off some land to afford rising taxes. There are many examples where fairly recent construction is being redeveloped due to rising property values.

- The above two reductions are accounted for in Step 6, the “safety” factor.
- We would like to see a map of lands deducted for public and quasi-public uses.

Step 2. Subtract all parcels that your community defines as not developable because of physical limitation

- We would like to see a map of lands deducted for critical areas.

Step 3. Subtract lands which will be needed for other public purposes.

- Right of way infrastructure: (July 2005 methodology, p.3, last bullet) What is the source of the figures for reduction for right of way: 15% for residential and 25% for industrial and commercial? Attachment 3-1 of the July 1, 2004 Final Environmental Impact Statement indicates an average of 17% for single family and 7% for multi family. These are the figures that should be used for residential land.
- Why is the figure used for residential averaged with that used for commercial and industrial to get a 20% reduction applied to residential? The 17% should be applied to single family residential, 7% to multi family and 25% applied to commercial and industrial lands.

Step 5. Subtract all parcels which you assume will not be available for development within your plan’s 20-year framework.

- A 15% reduction for under-building in the City (no minimum densities). The decision by owners to build at less than the maximum density (July 2005 methodology, p.6, paragraph 4). This is a reduction for market choice or a “market factor”. It is entirely within the City’s control to institute minimum densities as proposed in the City’s draft Comprehensive Plan. Further, it is well known that as property values escalate, developers tend to make more efficient use of scarce land resources. For these reasons, the first 15% reduction is not needed.
- A 15% reduction in the UGA for owners deciding not to build or sell within the 20-year planning period. This is another “market” decision or “market factor”. The survey done in 2001 could not have foreseen recent dramatic increases in housing prices (and commensurately property taxes) and recent increases in fuel prices, both of which influence people’s desires to sell or develop their property. Another influence is that of development around these owners. As they become surrounded by higher density urban development, there is more of an impetus to sell and develop as the “rural” character of areas planned for urban development transitions to an “urban” character. This second 15% reduction is also not needed.

Step 6. Build in a safety factor. If you are unable to monitor land supply on a regular basis, consider building in a safety factor of land in addition to your projected 20-year land area needs to assure adequate availability and choice at all times.

- Bellingham does have the GIS data, equipment and staff expertise to monitor land supply on a regular basis and according to the current draft of the proposed Bellingham Comprehensive Plan, they intend to do so.
- In the Central Puget Sound Growth Management Hearings Board, Consolidated Case No. 95-3-0039, Final Decision and Order, Bremerton, et al. v. Kitsap County, Respondent the Board stated:

“However, the market factor is not the only device available to achieve a supply that is neither too large nor too small. The Act also requires review of UGAS at least every ten years (RCW 36.70A.130(3)); no more than annual reviews of comprehensive plans (RCW 36.70A.130(2)); and even more frequent amendments to the CPPs. Although the size of the UGA should not be increased in a frequent or cavalier manner, counties should consider the option of including a more modest land supply market factor at the beginning of the twenty-year period, and considering adjustments on a three-or five-year cycle.”
- In light of the preceding two bullet points and the fact that the deductions made in step 1 (page 1 of this memo) from “redevelopable land” and from “partially vacant land” constitute additional “market” factors, the “safety factor” should be reduced to 15%.
- *(Page 10) “The land supply analysis includes a safety factor reduction of 25% to ensure affordability in the city neighborhoods and urban centers. And to account for uncertainty as to if and when areas of the UGA may annex to the City.”* As land availability becomes scarce and demand increases, it is likely that areas undeveloped and underdeveloped properties in the UGA that do not have utilities will request utilities in order to subdivide the land. The City should require annexation with the extension of utilities. Areas that currently have utilities and or are within a utility extension service zone, are under a “no protest agreement” to future annexation. This greatly reduces the uncertainty of when and if an area will annex to the City, further justifying reducing the safety factor to 15%.

GENERAL COMMENTS:

- What average household sizes are assumed in calculating the number of people accommodated by the number of units? Staff calculations indicate 2.23 was used for city neighborhoods, 1.84 for urban centers, 2.36 for UGA planning areas and 2.06 overall. This is contrary to the statement in Chapter 4 of the Final EIS which states on page 4-27 that “for planning purposes, 2.24 persons per household is assumed.” Although household size has declined slightly between the 1990 and 2000 censuses, more recent trends of an increasing gap between household incomes and housing prices (see DEIS, page 4-64, “Housing Affordability”) indicate that more people have to live together to afford housing.
- What assumptions were made regarding the ability of multiple use structures (e.g.: ground floor commercial with residential above) other than “Urban Centers” to accommodate residential growth?

- If the UGA boundaries are established prior to the City establishing minimum densities, planned unit development regulations allowing cottage housing and modifications in setbacks, allowing zero lot lines, rezoning appropriate areas and establishing criteria for “urban villages, will the UGA be oversized? It may be appropriate to establish the infill capacity of the City after efforts have been made to accommodate population and density, before establishing new UGA boundaries, **OR** create a tiered UGA .