

**WHATCOM COUNTY  
PLANNING & DEVELOPMENT SERVICES  
STAFF REPORT**

**I. BACKGROUND INFORMATION**

**File #** CMP2003-00003

**File Name:** Bellingham Urban Fringe Subarea Plan Amendments

**Applicant:** Whatcom County Planning & Development Services Department

**Public Notice:** Pursuant to RCW 36.70.590 legal notice was published in the Bellingham Herald on January 15<sup>th</sup>, 2006, and a public hearing of the Planning Commission is scheduled on Thursday, January 26, 2006.

**Summary of Request:** This Public Hearing is part of the update to Whatcom County's Urban Fringe Subarea Plan for Bellingham's Urban Growth Area. The Planning Commission is requested to hold a Public Hearing and make a recommendation either accepting or modifying the City of Bellingham's Land Supply Methodology Analysis (**Exhibit 1**), and the most recent calculations for the City's and Urban Growth Areas infill capacity (**Exhibit 2 & 3**).

**II. RECOMMENDATIONS**

In the preceding months, there have been numerous verbal and written discussions and comments presented to the City and County Planning Commissions and staffs regarding the Bellingham land supply methodology and analysis. Both City and County staff have reviewed and discussed all comments and testimony. After taking these comments into consideration, the analysis has been revised in January 2006. Attached as Exhibit 1, 2 and 3 are the revised numbers and an explanation of why these changes were made. The Bellingham City Council will consider the land supply analysis at an afternoon Worksession on January 23, 2006. It is possible that further revisions may be made prior to or after this meeting. County staff will provide additional/supplemental information and revised numbers as needed.

As a follow up to these recommendations, Whatcom County Planning staff will be proposing to the City of Bellingham Planning staff to jointly develop options for addressing ongoing land supply monitoring needs that would include timelines, jurisdiction and staff responsibilities, a protocol for initiating further studies regarding Bellingham's land supply, a protocol for amending the urban growth area and any other relevant issues as the City and County see fit. These options may be useful as Bellingham implements their Comprehensive Plan, develops urban village standards, and establishes minimum densities.

**Step 1. Identify lands which are potential candidates to accommodate future growth—vacant, partially-used and under utilized land. (Exhibit 4, page 1)**

- Developed Land: Whatcom County Planning Staff agrees with this methodology.
- 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). The 2004 FEIS utilized a threshold of 50% to determine re-developable land. A threshold of 25-50% may be more appropriate.

Whatcom County Planning Staff recommendation: Using the 1:2 ratio (50%) of improvement value to land assessed value would be consistent with the 2004 FEIS recommendations, and is supported by other Washington State jurisdictions in classifying "*Redevelopable Land*". Due to a lack of sampling, a recent market study and monitoring of demolition value to new construction value, it is difficult to recommend an accurate threshold. The city will attempt to run the model utilizing several different thresholds to determine the effect on the land supply prior to the January 26, 2006 meeting. Given the uncertainty, staff has discussed that further study may be appropriate to determine what threshold is appropriate for a given neighborhood or area. (Example: A 10% threshold may be appropriate in some areas while a 50% threshold may be more appropriate in other areas.)

- Partially Vacant Land: Whatcom County Planning Staff recommendation: Accept the methodology.
- Vacant Land: Whatcom County Planning Staff recommendation: Accept the methodology.
- Public/Quasi-Public Land: Whatcom County Planning Staff recommendation: Accept the methodology.

**Step 2. Subtract all parcels that your community defines as not developable because of physical limitation. (Exhibit 4, page 3)** For instance, once you have identified critical areas, such as wetlands, and have established plan policies and regulations prohibiting development in these areas, subtract these areas from the initial land supply pool.

- Whatcom County Planning Staff recommendation: Accept Step 2 of the Land Supply Methodology.

**Step 3. Subtract lands which will be needed for other public purposes. (Exhibit 4, page 3)** This includes utility corridors, landfills, sewage treatment plants, recreation, schools, and other public uses (with the exception of parks – see parks section below). GMA, Section 15, RCW 36.70A.150

- This category includes reductions for stormwater management facilities, right of way, developable parkland, and other public facilities. Recent adjustments to the stormwater and right of way reductions were made regarding multi-family developments as stated in the January 11, 2006 memo from the City of Bellingham. **(Exhibit 1, number 3)**
- The level of service for parks was determined by City Planning and Parks staff using the 42 acres/ 1,000 people adopted level of service for the City of Bellingham, and calculating how

many “developable, dry land acres” of the 42 acres/ 1,000 people were needed to fulfill the requirements for parks. This results in a reduction of approximately 14 acres of “Resource Conservancy” land category. “*Generally, conservancy lands may preserve, restore, and provide access to wetlands, woodlands, foraging and nesting areas, migration corridors, and other unique ecological areas.*” (City of Bellingham Park, Recreation, and Open Space Plan. June 2005. Page 157) These conservancy lands have been accounted for within the critical area reductions.

- Whatcom County Planning Staff recommendation: Accept Step 3 of the Land Supply Methodology with recent adjustments.

**Step 4. Subtract all parcels which your community determines are not suitable for development for social and economic reasons. (Exhibit 4 page 6)** For instance, if you have adopted plan policies and regulations protecting historic districts or certain agricultural lands, or if from a market standpoint the land is not likely to develop within 20 years, subtract these from land supply. The lands that fall into this category were removed as part of Step 1. The public/quasi-public category includes lands deemed not suitable for development due to social and economic reasons. Examples of this include vacant lands owned by religious organizations, private schools, land trusts, conservation organizations, private utility companies, and land where development is restricted by deed mechanisms (i.e. utility service agreement restrictions in the Lake Whatcom Watershed).

- The lands that fall within this category were deducted as part of Step 1.
- Whatcom County Planning Staff recommendation: Accept Step 4 of Land Supply Methodology.

**Step 5. Subtract all parcels which you assume will not be available for development within your plan’s 20-year framework. (Exhibit 4, page 6)** Assume that a certain percent of vacant, under-utilized, and partially-used lands will always be held out from development. (15% land availability reduction)

- A 15% land availability reduction is based on: 1) Historical under-building within the City, 2) Property owners that will not build or sell within the 20 year planning period (based on a 2001 survey and a 2005 survey conducted in the Yew Street Road UGA.)
- Whatcom County Planning Staff recommendation: Accept Step 5 of Land Supply Methodology, with this reduction being further researched as part of Whatcom County’s proposal to the City of Bellingham to develop joint land supply monitoring options.

**Step 6. Build in a safety factor. (Exhibit 4, page 7)** 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.

There is evidence that some communities have experienced increased land and housing costs, which may be related to setting urban growth areas too tightly. Two approaches are recommended

to assure that land supply is not restricted to the degree that it contributes to significantly higher housing costs:

1. Continuously monitor land supply. Reevaluate and adjust land supply more frequently than required by Washington's GMA, possibly every one to three years.
2. Consider building in a safety factor of additional land beyond that needed to exactly accommodate the projected 20-year growth for your community. Such a factor "allows for unanticipated choices of individuals and firms who may acquire land in excess of the anticipated need, and it allows for land which may be held out of use because of personal preferences or whims of a few property owners or because of legal complications which make the land unavailable for immediate development." The excess should not be more than 25 percent.
  - Whatcom County Planning Staff recommendation: Modify Step 6 of the Land Supply Methodology to reduce the "Safety Factor", and choose Approach #1, as stated above, to conduct more frequent evaluations and adjustments to the land supply. This recommendation is supported by Whatcom County's proposal to jointly develop options for addressing ongoing land supply monitoring needs as Bellingham implements their Comprehensive Plan, develops urban village standards, and establishes minimum densities. This is also supported by the Central Puget Sound Growth Management Hearings Board case below:

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."

**Step 7. Determine total capacity.** After determining desirable densities and land uses for various areas within your jurisdiction, multiply the number of acres in remaining parcels by the number of units per acre allowed in the area where the parcel is located. Add together to determine total capacity of vacant, under utilized, and partially-used land.

**Step 8. Draw the urban growth boundaries for your jurisdiction which meet criteria you have set.** Include enough developable, suitable, and available vacant, under-utilized or partially-used land area to meet your share of projected growth.

**EXHIBITS**

- EXHIBIT 1:** City of Bellingham memo regarding adjustments to the land supply
- EXHIBIT 2:** City of Bellingham Land Supply Tables, January 16, 2006
- EXHIBIT 3:** City of Bellingham Land Supply Summary, January 16, 2006
- EXHIBIT 4:** City of Bellingham Land Supply Methodology, January 2006
- EXHIBIT 5:** City of Bellingham letter regarding the update of Bellingham's UGA
- EXHIBIT 6:** Whatcom County response to the City of Bellingham letter (Exhibit 5)