

ORDINANCE NO. 1660

AN ORDINANCE ADOPTING THE BUILDABLE LANDS REPORT 2022 – WHATCOM COUNTY REVIEW AND EVALUATION PROGRAM

WHEREAS, the City of Lynden has worked in coordination with Whatcom County, the other Whatcom County municipalities, and a consultant to produce a final draft of the *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* (dated July 7, 2022); and

WHEREAS, the distinct Whatcom County municipalities, including the City of Lynden, are individually tasked to adopt the *Buildable Lands Report 2022* for their jurisdiction; and

WHEREAS, on November 21, 2022, the Lynden City Council held a public hearing to review the *Buildable Lands Report 2022* and to hear and consider any public discussion on the “Report”; and

WHEREAS, the Lynden City Council adopts the following findings of fact regarding the adoption of the *Buildable Lands Report 2022*:

FINDINGS OF FACT

1. The *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* (July 7, 2022, revised February 27, 2023) recognizes that housing availability and housing affordability are highly significant issues impacting our community.
2. Lynden, as well as the other Whatcom County municipalities, recognize that the *Buildable Lands Report* does not address the issue of housing affordability and that there remain significant concerns regarding housing availability. Additional work that revisits the estimates of supply and demand that are feasible, realistic, and consistent with current regulatory requirements and infrastructure are needed and will be reviewed in the 2025 comprehensive plan updates. Specifically, land supply will need to be carefully reviewed to account for land constrained by legal impediments, lack of infrastructure, and critical area restrictions. Additionally, infrastructure improvements including transportation, public water, and sewer improvements will need to be included in capital facility plans to accommodate forecasted growth. And, as required by Engrossed Second Substitute House Bill 1220, jurisdictions will need to plan for and accommodate housing affordable to all income segments of the community.
3. The proposal is to adopt the *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* (July 7, 2022 revised February 27, 2023).

4. The Whatcom County SEPA Official determined on July 19, 2022 that adoption of the *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* is categorically exempt from SEPA review, under WAC 197-11-800(17) as information collection and research, and the City of Lynden SEPA official concurs with that exemption.
5. At their regular November 7, 2022 meeting, the Lynden City Council set the public hearing for the review of the *Buildable Lands Report 2022* to take place at their November 21, 2022 meeting.
6. Following the November 7 meeting, notice of the public hearing was posted on the City’s website and was subsequently published in the Lynden Tribune on November 16, 2022.
7. At the November 21 Lynden City Council meeting, the Council reviewed the *Buildable Lands Report 2022* and allowed for any public feedback on the draft. No public input was received.
8. The Growth Management Act (GMA) “Review and Evaluation Program” (buildable land) requirements became applicable to Whatcom County, and the cities therein, when the State Legislature adopted Engrossed Second Substitute Bill 5254 in 2017.
9. The GMA’s Review and Evaluation Program requirements (RCW 36.70A.215) include updating county-wide planning policies, developing a buildable lands program methodology, data collection, reviewing achieved densities, evaluating land suitable for development, and issuing a Buildable Lands Report. The information contained in the Buildable Lands Report will inform the next update of the City of Lynden Comprehensive Plan, which is due by June 30, 2025.
10. In evaluating land suitable for development, RCW 36.70A.215(3)(b)(ii) requires jurisdictions to develop a “reasonable land market supply factor” consistent with the Review & Evaluation Program Buildable Lands Guidelines (2018) published by the Department of Commerce (“Guidance”).
11. The land market supply factor is incorporated to account for the reality that not all developable land will actually be developed within the planning timeframe.
12. WAC 365-196-310(2)(e) authorizes jurisdictions to consider unique local conditions when establishing a market supply factor. Including relevant local factors is vital to ensuring that the Buildable Lands Report presents a realistic picture of development within the remaining planning period.
13. The Department of Commerce’s Guidance also expressly encourages cities to

adopt a market supply factor that reflects “uniquely local conditions” to “avoid overestimation of effective buildable lands capacity” (p. 47).

14. The County’s consultant held interviews with representatives of each jurisdiction and several key community stakeholders. This information was compiled in a *Stakeholder Interview Summary Whatcom County Review and Evaluation (Buildable Lands) Program* (CAI, May 2019).
15. The County’s consultant conducted research on topics with important implications for the buildable lands report, including local regulations, infrastructure, housing affordability, and growth trends. This included reviewing relevant portions of the Revised Code of Washington and Washington Administrative Code. This information was compiled in a *Background Information and Key Issues Report* (CAI, June 2019).
16. Whatcom County and the cities, with the assistance of a consultant, developed the *Whatcom County Review and Evaluation Program Public Participation Plan* (April 2020) and have followed that Plan.
17. Whatcom County and the cities developed draft Countywide Planning Policies (CWPPs) establishing the Review and Evaluation Program. The Lynden City Council approved the proposed procedures for amending the Countywide Planning Policies on March 16, 2020, and Resolution 1058 - the Interlocal Agreement amending the CWPPs on November 21, 2022.
18. Whatcom County and the cities, with the assistance of a consultant, drafted the *Whatcom County Review and Evaluation Program Methodology* to implement the 2017 state amendments to the GMA. Stakeholders reviewed and provided comments on preliminary draft versions of this Methodology in 2021. Modifications to the draft Methodology were made based upon stakeholder comments in 2021.
19. Whatcom County and the cities, with the assistance of a consultant, developed Data Reporting Tool templates for collection of data on development and local government ordinances over the review period. The templates are intended to facilitate uniform collection of data by the County and cities.
20. The County and cities entered information in the Data Reporting Tool, including information on building permits and plats issued between April 1, 2016 and March 31, 2021. The Data Reporting Tool calculates achieved densities for the individual County jurisdictions, including Lynden, over the five-year review period.
21. Whatcom County and the cities, with the assistance of a consultant, developed Suitable Land Tool templates for estimating the amount of land available for development over the remaining portion of the planning period. The templates

are intended to facilitate uniform evaluation of land supply by the County and cities.

22. The County and cities entered information in the Suitable Land Tool to estimate the capacity of land suitable for development to accommodate population and employment growth over the remaining portion of the existing planning period (2021-2036). The Suitable Land Tool compares the land capacity to the projected population and employment growth to estimate whether there will be a surplus or deficit of land to accommodate projected growth (2021-2036).
23. The City of Bellingham and the County shared draft Data Reporting Tool and Suitable Land Tool spreadsheets at a Buildable Lands - Virtual Stakeholder Workshop on February 9, 2022 to begin to share the results with the public.
24. The *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* shows that each UGA, including the City of Lynden, has sufficient suitable land to accommodate the UGA employment projections contained in the *Whatcom County Comprehensive Plan* (Chapter 1).
25. Whatcom County and the cities issued the *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* on July 7, 2022, and revised this Report on February 27, 2023 (the revisions primarily relate to the Jurisdiction Profile for the Bellingham UGA). This Report summarizes and analyzes information from the Data Reporting Tool, Suitable Land Tool, and other sources to meet the requirements of the Growth Management Act.
26. The *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* shows that there is sufficient suitable land to accommodate the countywide population projection contained in the *Whatcom County Comprehensive Plan* (Chapter 1).
27. The *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* shows that the City of Lynden has sufficient suitable land to accommodate the UGA population projections contained in the *Whatcom County Comprehensive Plan* (Chapter 1).
28. The *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* shows that there is sufficient suitable land to accommodate the countywide employment projection contained in the *Whatcom County Comprehensive Plan* (Chapter 1).
29. The *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* shows that each UGA, including the City of Lynden, has sufficient suitable land to accommodate the UGA employment projections contained in the *Whatcom County Comprehensive Plan* (Chapter 1).

30. The Growth Management Act requires Whatcom County and the cities to update their respective Comprehensive Plans by 2025 (RCW 36.70A.130), in part to accommodate projected population and employment growth for the new planning period through the year 2045.
31. Growth Management Act Planning Goal 4, which guides the development and adoption of comprehensive plans and associated regulations, is to:

Plan for and accommodate housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock (RCW 36.70A.020(4)).
32. The Growth Management Act includes mandatory elements that must be included in a local comprehensive plan, including a housing element (RCW 36.70A.070(2)).
33. The Washington State Legislature passed Engrossed Second Substitute House Bill 1220, which became effective on July 25, 2021. This legislation enacted significant amendments to RCW 36.70A.070(2), requiring additional analysis and planning to address housing affordability in the 2025 comprehensive plan updates.
34. In 2017, the Washington State Legislature amended the requirements of the evaluation program (Buildable Land Report) to include a “review and evaluation of ... infrastructure gaps (including but not limited to transportation, water, sewer, and stormwater)” (RCW 36.70A.215((3)(b)(i)).
35. The Growth Management Act requires the 2025 comprehensive plan periodic updates to address a number of things, including an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth (provided by the department of commerce), preservation, improvement, and development of housing, sufficient land capacity, and adequate provisions for existing and projected needs of all economic segments of the community (RCW 36.70A.070(2)).
36. The Washington State Department of Commerce anticipates that the State Legislature will provide grants to local governments, including Whatcom County and the cities, to implement the expanded housing element requirements in RCW 36.70A.070(2). The State anticipates these grants will be available July 1, 2023.
37. Whatcom County recognizes that housing availability and housing affordability are major issues in our community.

38. Detached single family median home prices for the cities and Whatcom County as a whole have risen as shown below.

	2016	2022	Percentage Increase
Bellingham	\$340,500	\$680,000	99.71%
Blaine	\$274,000	\$536,000	95.62%
Everson	\$308,500	\$565,000	83.14%
Ferndale	\$313,200	\$630,000	101.15%
Lynden	\$314,000	\$595,000	89.49%
Nooksack	\$262,000	\$500,000	90.84%
Sumas	\$219,000	\$340,000	55.25%
Whatcom County	\$315,000	\$602,000	91.1%

Source: Whatcom County Association of REALTORS / Multiple Listing Service data.

39. A report entitled “Puget Sound Regional Council & Washington State Department of Commerce Housing Survey” (December 2022) indicates that respondents statewide and in Western Washington identified housing costs/rents and homelessness as the two most important problems facing Washington State today (p. 9). Statewide, 39% of respondents identified housing costs/rents and 39% identified homelessness as the most important issues. These percentages were slightly higher in Western Washington, where 40% of respondents identified housing costs/rents and 41% identified homelessness as the most important issues.
40. A report entitled “The Conspicuous Crisis: Addressing Housing Affordability in Washington” (Challenge Seattle, January 2023) states “. . . Nearly ~1 million Washington households are cost-burdened, spending more than 30% of household income on housing-related costs . . . While burden rate varies, affordability is a state-wide challenge. . .” (p. 5). Whatcom County has a high cost burden rate of 35.9% (p. 5).
41. The City of Lynden recognizes that solutions to housing availability and housing affordability problems will require County government, city governments, the private sector, and other entities working to plan and provide for sufficient and affordable housing for the community.
42. The City of Lynden recognizes that land capacity for housing is an important

factor relating to housing availability and affordability. Additional land capacity can be provided by increasing densities (e.g. rezoning or amending the code to require minimum densities) and/or reconfiguring or expanding urban growth areas.

43. Whatcom County and the cities should evaluate increasing densities (e.g. rezoning or amending the code to require minimum densities) in urban growth areas, including land within city limits, to accommodate additional housing units.
44. The Whatcom County Comprehensive Plan anticipates that approximately 84% of population growth will occur in UGAs and about 16% outside UGAs in rural and resource lands.
45. There are 10 UGAs in Whatcom County. Seven of these UGAs are associated with cities and three are non-city UGAs (one of the non-city UGAs is Cherry Point, which does not accommodate residential development).
46. The Whatcom County Comprehensive Plan anticipates countywide population growth will occur in the following geographic areas:
 - a. 74.4% in the seven city UGAs;
 - b. 9.5% in the two non-city UGAs (Birch Bay and Columbia Valley); and
 - c. 16.1% outside of UGAs (in rural and resource lands).
47. The seven city UGAs consist of the land in the city limits and surrounding land designated by the County for urban growth and annexation into the cities. The seven cities do not, as a general matter, allow extension of public water and sewer outside city limits. County urban residential zoning in UGAs allows one dwelling unit/ten acres until public water and sewer are available. The reason for this restriction is to preserve land for urban density development once public water and sewer become available. As a practical matter, this means that new urban density residential developments will not occur in city UGAs until annexation takes place.
48. The Growth Management Act indicates that a purpose of the Buildable Lands Program is, when necessary, to “Identify reasonable measures, other than adjusting urban growth areas, that will be taken to comply with the requirements of this chapter” (RCW 36.70A.215(1)(b)).
49. However, population growth and housing allocations for the new planning period through the year 2045 will be adopted in the 2025 comprehensive plan update process. Accommodating the projected growth through the year 2045 will require a new land capacity analysis to evaluate each UGA’s ability to accommodate this additional growth based on new population projections. The cities will make recommendations to the County as part of the 2025

comprehensive plan updates whether to expand their respective UGAs or not to accommodate this additional growth. The County Council makes the final decision on UGA expansions.

50. The Growth Management Act requires capital facility planning for transportation, public water, sewer, stormwater, schools, parks, and fire protection facilities in association with the 2025 comprehensive plan updates (RCW 36.70A.070(3) and (6)).
51. The Housing Memorandum: Issues Affecting Housing Availability and Affordability (State Department of Commerce, June 2019) indicates:

. . . Appropriate infrastructure of all types is perhaps the single most-important determinant of whether or not otherwise buildable land will be developed or redeveloped. Without appropriate connection and capacity for transportation, water, wastewater, and stormwater in particular, new development or redevelopment of land is extremely unlikely. Thus, lack of infrastructure renders land unavailable for development or redevelopment, limiting the supply of land and potentially driving up prices and costs (p. 59).
52. The Growth Management Act states “In general, cities are the units of local government most appropriate to provide urban governmental services. . .” (RCW 36.70A.110(4)). It is essential that cities plan capital facilities to support housing growth.
53. Whatcom County is not a provider of public water and sewer, which are essential services for urban residential growth. Therefore, Whatcom County will work with water and sewer districts serving the Birch Bay and Columbia Valley UGAs to facilitate appropriate urban growth in these areas.
54. Factors under local government control affect housing production and affordability, such as land capacity, infrastructure, permit timelines, zoning, and complexity of regulations. Cities control these factors in their incorporated boundaries and, therefore, have a large influence on housing in Whatcom County. Whatcom County controls land use regulations and permitting in unincorporated areas, but is not a provider of public water and sewer. Additionally, the County has a responsibility under the Growth Management Act to protect rural character and conserve resource lands.
55. Factors beyond local government control also influence housing production and affordability. The Housing Memorandum: Issues Affecting Housing Availability and Affordability (State Department of Commerce, June 2019) identifies macroeconomic trends including employment, prices/inflation (material and labor costs), and interest rates, along with other factors, that affect housing production and affordability (p. 12).

56. Housing availability and affordability are issues of critical importance in Whatcom County. They are also issues in many other areas around the country. The Joint Center for Housing Studies of Harvard University's *The State of the Nation's Housing 2022* indicates that home prices in the U.S. have more than doubled from the 2012 low (following the Great Recession) to early 2022 (p. 9). Additionally, Harvard's report states ". . . The national housing shortage is not just in affordable homes. According to Freddie Mac estimates, the short fall in market-rate housing both for sale and for rent amounts to some 3.8 million units. . ." (p. 41). Harvard's report identifies factors under local control, such as land use regulations, along with other factors that have contributed to housing production and affordability issues.
57. Housing needs and affordability will be addressed in the 2025 Comprehensive Plan Update as required by the Growth Management Act. The 2025 Comprehensive Plan update will also "[p]lan for and accommodate housing affordable to all economic segments of the population . . . promote a variety of residential densities and housing types, and encourage preservation of existing housing stock" as required by RCW 36.70A.020(4).
58. The *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* provides an important analysis of development trends and characteristics in Whatcom County and its cities from 2016-2021. Based on the foregoing findings, the *Whatcom County Review and Evaluation Program* provides important input moving forward with the 2025 comprehensive plan update process for the County and the cities, but should not be considered the sole source of information that the County and cities rely upon to plan for accommodating projected future growth.
59. All of the foregoing Recitals and Findings of Fact are legislative findings of the Lynden City Council and are fully incorporated into the following ordinance as a material part thereof.

NOW, THEREFORE, BE IT ORDAINED by the Lynden City Council that:

Section 1. The review and evaluation required by the Growth Management Act has occurred and the *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* has been issued in accordance with RCW 36.70A.215.

Section 2. The Lynden City Council hereby adopts the *Buildable Lands Report 2022 – Whatcom County Review and Evaluation Program* (Exhibit A); and

Section 3. Reasonable measures are not needed for Lynden's Urban Growth Area (UGA) in order to accommodate projected growth to 2036.

Section 4: Effective Date. This ordinance shall be in full force and effect from and after its passage by the City Council and approval by the Mayor, otherwise as provided by law, five days after the date of its publication.

PASSED by the City Council this _____ day of April, 2023 and signed by the Mayor on the _____ day of April, 2023.

SCOTT KORTHUIS, MAYOR

ATTEST:

PAM BROWN, CITY CLERK

APPROVED AS TO FORM:

ROBERT CARMICHAEL, CITY ATTORNEY