

MEETING SUMMARY

TDR/PDR Multi-Stakeholder Work Group

Wednesday December 6, 2017, 2:30-4:30 PM

Planning and Development Services – Annex Conference Room

Attendees – Members	Perspective	Present
Chris Behee	City of Bellingham	<input checked="" type="checkbox"/>
Michael Jones	City of Blaine	<input checked="" type="checkbox"/>
Rollin Harper	Cities of Everson, Nooksack, and Sumas	<input checked="" type="checkbox"/>
Jori Burnett	City of Ferndale	<input checked="" type="checkbox"/>
Dave Timmer	City of Lynden	<input checked="" type="checkbox"/>
Bill Henshaw	Building Industry	<input type="checkbox"/>
Betty Sanchez	Realtors	<input type="checkbox"/>
Myrle Foster	Rural Property Owner	<input type="checkbox"/>
Ralph Black	TDR User	<input type="checkbox"/>
Phil Thompson	Economist	<input checked="" type="checkbox"/>
Steve Powers	Affordable Housing	<input checked="" type="checkbox"/>
VACANT	Agriculture	<input type="checkbox"/>
Karlee Deatherage	Environmental	<input checked="" type="checkbox"/>
Rud Browne	Council Member	<input checked="" type="checkbox"/>

Attendees – Alternates/Representatives	Perspective	Present
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

Quorum Present	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
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Attendees - Staff	Present	Attendees - Staff	Present
Matt Aamot	<input checked="" type="checkbox"/>	Mark Personius	<input type="checkbox"/>
Chris Elder	<input checked="" type="checkbox"/>		<input type="checkbox"/>

Attendees – Guests	Organization (if applicable)	Present
Larry Davis	Agricultural Advisory Committee and Whatcom Conservation District Supervisor	<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

Meeting was called to order by Vice-Chairperson Jori Burnett at about 2:30 pm.

Staff stated that Brad Rader, the Work Group's Agriculture Representative, resigned in November.

Approval of November 1 Meeting Summary

The November 1 meeting summary was approved without changes.

Open session to take public comment

There were no public comments.

County Council adoption of Density Credit Program (Ordinance 2017-062)

In July, staff discussed the Density Credit / Birch Bay Small Lot proposal with the Work Group. Under this proposal, a developer could potentially double the density for single family residential development, from 7 units/acre to 14 units/acre, in the Birch Bay Resort Commercial zone through the planned unit development permitting process if density credits are purchased. The Whatcom County Council adopted the Density Credit / Birch Bay Small Lot amendments on November 21, 2017 (Ordinance 2017-062).

Additionally, on November 1, the Work Group recommended a density credit price of \$4,000 for each bonus dwelling unit in the Birch Bay Urban Growth Area (UGA). The County Council adopted Ordinance 2017-072 on December 5 setting the density credit price at \$4,000.

Potential City / County Coordination on Density Credit Program

Staff gave an update on City/County coordination. The County and City planners hold periodic meetings to discuss matters of common interest. At the October 27 City/County Planner meeting, it was decided that Rollin, Dave, and Matt would develop a preliminary draft framework paper on density credits for consideration of the City/County Planner Group in January. This paper would briefly describe the density credit model, identify questions that cities may want to consider, and set up a proposed process for cities to discuss the density credit model with their elected officials and respective communities. Rollin said that this got him thinking about opportunities for city incentives (the type and geographic distribution of incentives). Jori provided an example of reducing the amount of open space required in a planned unit development if the developer purchases density credits and there is an adjacent park.

Opportunities/Alternatives to a Workable TDR Program

At the October 4 and the November 1 meetings, the Work Group recommended three Rural Incentives in conjunction with a density credit program:

Rural Incentive # 1: The Work Group passed a motion to recommend allowing an increase in the size of accessory dwelling units (ADUs) from 1,248 square feet to 1,748 square feet in the rural areas if density credits are purchased.

Rural Incentive # 2: The Work Group passed a motion to allow a non-resident investor to pay to retire one full development right in a rural or agricultural area in exchange for eliminating the requirement that either the main house or ADU must be owner-occupied.

Rural Incentive # 3: The Work Group passed a motion to recommend allowing a density of one dwelling/2.5 acres in the Rural one dwelling/five acre (R5A) zone if one rural development right is retired for each additional rural development right granted. This recommendation was with the understanding that staff would come back to the Work Group at the December meeting with suggested areas where this incentive should not be allowed (e.g. areas that are valuable for agriculture or environmentally sensitive areas).

Staff asked the Work Group to recommend which of the three Rural Incentives should be limited in scope to avoid agricultural and environmentally sensitive areas. Chris Behee asked if these incentives could be stacked on one another (i.e. could they be used together). The Work Group recommended:

- Rural Incentive # 1 should be available anywhere that ADUs are allowed in the County.
- Rural Incentive # 2 should be limited to areas that do not contain the identified agricultural characteristics or environmentally sensitive areas.
- Rural Incentive # 3 should be limited to areas that do not contain the identified agricultural characteristics or environmentally sensitive areas.

Because Rural Incentive # 2 applies in several Rural zoning districts and Incentive # 3 only applies in the R5A zone, two maps will be produced illustrating where the respective incentives could potentially be utilized.

In accordance with the Work Group's request at the November 1 meeting, staff presented a draft map showing suggested areas where rural incentives would not be available. The draft criteria indicated, in order to utilize the incentive, the parcel would have to be:

- Outside of Rural Study Areas (areas zoned rural that are valuable for agriculture);
- Outside the Lake Whatcom, Lake Padden, and Lake Samish watersheds;
- Outside the 100 year floodplain;
- Outside of and more than 1,000' from a Mineral Resource Lands designation;
- Outside shoreline jurisdiction;
- Outside an alluvial fan;
- More than 1 mile from the runway of the Bellingham International Airport;
- Within a Group A or Group B Public Water System Service Area (excluding Group A Systems currently exceeding Water Right Limits); and
- Covered by less than 50% Agriculture Protection Overlay Soils.

The Work Group recommended the following changes by consensus (with Rud abstaining). To utilize the incentive, the parcel would also have to be:

- Outside UGA Reserves;
- More than 1 mile from the boundary of a city;
- More than 1 mile from the boundary of a UGA;
- *Within a Group A or Group B Public Water System Service Area, excluding:*
 - *Group A Systems currently exceeding Water Right Limits* (text in italics is the same as the draft, but is included to provide context);
 - Group A Systems projected to exceed water right limits at full build-out; and
 - Group A Systems with no data on system water rights or use.

Rud requested that two other potential rural incentives be added to the January 2018 agenda for consideration by the Work Group:

- Allowing a land owner who has two separate non-contiguous parcels to transfer density from one parcel to the other. For example, a land owner has two separate 20 acre parcels both zoned R5A. Under standard zoning, they would typically be allowed to divide the land and build four homes on each parcel. Under this concept, the density could be transferred from one of the parcels (e.g. if it does not have water service) to the other parcel (which does have water

service). The end result would be zero development capacity on one of the 20 acre parcels and eight dwellings on the other 20 acre parcel.

- Protecting high quality wetlands in exchange for allowing encroachment on lower quality wetlands in UGAs.

Strategies to reach out to developers/builders to discuss incentives

The Work Group recommended that individual cities and the County should consult with the building community when developing incentives for any new density credit programs. It was noted that, on the topic of incentives in cities, the Work Group's recommendations will be more generalized as these jurisdictions would have to go through their own review process prior to adopting any specific incentives. Additionally, the Work Group includes representatives from the Building Industry and the Realtors.

PDR Fund to Protect Agricultural and Rural Lands

Staff provided an overview of the "PDR Fund to Protect Agricultural and Rural Lands" preliminary draft discussion paper. The draft discussion paper includes charts of Total Conservation Futures Tax collected (2002-2017) and Conservation Futures Expenditures on PDRs (2002-2017). Phil asked for a chart showing the Conservation Futures fund balance over time. Chris Elder indicated that the balance of the Conservation Futures fund is currently over \$2 million. The Work Group also asked for a chart showing the percentage of Conservation Futures revenue spent on Purchase of Development Rights (PDRs) over the years. The Work Group wanted to see a little more explanation in the text indicating that Conservation Futures revenues are used for parks and other conservation projects, in addition to PDRs.

Next Meeting

January 3, 2018.

Meeting Adjourned at 4:30 pm

Signed: _____



Ralph Black, Chairperson