

MEETING SUMMARY

TDR/PDR Multi-Stakeholder Work Group

Wednesday February 7, 2018, 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 checked="" type="checkbox"/>
Ralph Black	TDR User	<input type="checkbox"/>
Phil Thompson	Economist	<input checked="" type="checkbox"/>
Steve Powers	Affordable Housing	<input type="checkbox"/>
Rod Erickson	Agriculture	<input checked="" type="checkbox"/>
Karlee Deatherage	Environmental	<input checked="" type="checkbox"/>
Rud Browne	Council Member	<input 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
		<input type="checkbox"/>

Meeting was called to order at about 2:30 pm.

The County Executive appointed Rod Erickson to fill a vacant position on the Work Group. Rod introduced himself to the Group.

Approval of January 3, 2018 Meeting Summary

The January 3 meeting summary was approved without changes.

Open session to take public comment

There were no public comments.

Opportunities/Alternatives to a Workable TDR Program

This item has been discussed at the last six meetings. There are two remaining issues that staff raised with the Work Group.

1. *Accessory Dwelling Unit (ADU) Incentive # 2 in Urban Growth Area (UGA) Reserves* – ADU Incentive # 2 would allow a non-resident investor to build a house and ADU on a parcel and rent both out, if they make a payment to the County's Purchase of Development Rights (PDR) program. UGA Reserves are areas adjacent to cities or UGAs that may be added to the UGA at a future date. UGA Reserves are typically zoned Rural or Agriculture at the current time. The question is whether ADU incentive # 2 should apply in UGA Reserves. For example, should an incentive be provided to a non-resident investor to build a house and an ADU on a 10 acre parcel in a UGA Reserve that is zoned Rural? The City Planners expressed concern with the concept of allowing additional residential units in the UGA Reserves. Allowing more dwellings in these areas may make it more difficult to redeveloped at urban densities later on if they are added to the UGA and annexed. The Work Group reached consensus that ADU Incentive # 2 should not be allowed in UGA Reserves.
2. *Combining Incentives* – ADU Incentive # 1 would allow an increase in the size of an ADU from 1,248 to 1,748 square feet. ADU Incentive # 2 would allow a non-resident investor to build a house and ADU on a parcel and rent both out. Should a land owner be able to use both of these incentives in combination? Myrle asked what happens, under the existing rules, if a land owner with an ADU moves elsewhere. This would be a potential enforcement issue. Michael indicated that ADU Incentive # 2 would create a remedy for a land owner who formerly lived on site but moves out of state, for example. It was noted that the

price for each incentive would be paid for anyone who wanted to use both incentives together. The Work Group reached consensus that a land owner should be able to use these two incentives together.

At the January meeting, the Work Group recommended that a technical group explore the concept of addressing wetland impacts/preservation in a density credit program. Rollin suggested one change to this section, that the technical group consider: “. . . The categories of wetlands and associated buffers that could be impacted under this program. . .” Jori said higher density development is appropriate in cities and it’s important to protect natural areas as much as possible in the rural areas. There was consensus to approve Rollin’s suggested change.

The Work Group reached consensus to preliminarily approve the “Opportunities/Alternatives to a Workable TDR Program” discussion paper, which will be incorporated into the Work Group’s report.

PDR Fund to Protect Agricultural and Rural Lands

The Work Group originally reviewed a preliminary draft discussion paper at the December 6, 2017 meeting, and asked for three pieces of information at that meeting:

1. Conservation Futures fund balance over time;
2. Chart with the percentage of Conservation Futures revenue spent on PDRs; and
3. A little more explanation that Conservation Futures revenues are used for parks and other conservation projects, in addition to PDRs.

Staff incorporated these items into the preliminary draft discussion paper. The Work Group made additional changes to the discussion paper:

1. Add text that “. . . The County Council determines allocation of Conservation Futures revenues. . . .”
2. Chart title changed to “Total Conservation Futures Tax Receipts.” Explain why 2010 was lower than the other years.
3. Chart title changed to “% of Total Receipts ~~Conservation Futures Tax~~ Expended on PDRs.” Insert text explaining what this chart shows.

4. Make the “Conservation Futures Year-End Fund Balance” into a chart.
5. Change text to “. . . It should be noted that the increase in taxes collected is limited by state law to a maximum of 1% per year or the rate of inflation, whichever is lower. . .”

The Work Group will review the “PDR Fund to Protect Agricultural and Rural Lands” discussion paper again at the next meeting.

Proposed Sending and Receiving Areas / Consideration of Additional Rural Concept

Staff provided an overview of the preliminary draft “Proposed Sending and Receiving Areas” discussion paper (Rud’s additional rural concept, allowing a land owner who has two separate non-contiguous parcels to transfer density from one parcel to the other, was added to this section in staff’s preliminary draft). The preliminary draft recognizes the Work Group’s recommended shift in emphasis to a density credit program and away from a traditional TDR program. This means that the County may direct PDR investments that utilize density credit funds to areas that also benefit the cities (instead of focusing on additional TDR sending areas). Additionally, areas may be designated in cities and UGAs for bonus densities under the density credit system (instead of focusing on additional TDR receiving areas).

Chris Elder stated that the County’s PDR Oversight Committee recently recommended an update to the PDR Program Guidelines that included identification of three priority areas for PDR purchases: Agriculture, forestry, and ecological areas. In the overall rating system, soils are the most important factor for consideration. The cities would like to review the three priority area maps in more detail. Chris will send the draft maps to the cities for review.

The Work Group made the following changes to the discussion paper:

1. “. . . while also providing supplemental funding for reducing development in agricultural and rural areas and, potentially for city amenities. . .”
2. “. . . The areas with the greatest potential for high intensity urban development are in the cities. . .”
3. “. . . It is recommended that the six small cities designate areas within their respective cities and UGAs that could be developed at increased urban intensities in association with a density credit program. . .”

The Work Group reached consensus to preliminarily approve the "Proposed Sending and Receiving Areas" discussion paper, with the exception of the *TDR Program: Sending and Receiving Areas* section. This section of the paper relates to Rud's proposal to allow a land owner who has two separate non-contiguous parcels to transfer density from one parcel to the other. The Work Group decided to defer consideration of this section to next time, as Rud was not at the meeting.

Next Meeting

March 7, 2018.

Meeting Adjourned at about 4:10 pm

Signed: _____



Ralph Black, Chairperson