

MEETING SUMMARY

TDR/PDR Multi-Stakeholder Work Group

Wednesday September 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 checked="" type="checkbox"/> |
| Myrle Foster | Rural Property Owner | <input type="checkbox"/> |
| Ralph Black | TDR User | <input checked="" type="checkbox"/> |
| Phil Thompson | Economist | <input checked="" type="checkbox"/> |
| Steve Powers | Affordable Housing | <input type="checkbox"/> |
| Brad Rader | 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"/> |
|-----------------------|--|

| 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 about 2:30 pm.

Approval of August 2 Meeting Summary

The August 2 meeting summary was approved without changes.

Open session to take public comment

There were no public comments.

Opportunities/Solutions for a Workable TDR Program

The Work Group reviewed the preliminary draft discussion paper.

TDR Opportunity # 1 - Density Credits / In Lieu Fees

The Work Group made one change to the draft discussion paper, as follows:

. . . Therefore, the County and cities should give serious consideration to the proposed density credit program and consider expanding the proposal to a variety of zoning districts.

Ralph asked if the cities would need to amend their comprehensive plans in order to accommodate higher densities. Michael said that Blaine Comprehensive Plan typically provides a range of densities. If the higher density is within this range, then a comprehensive plan amendment may not be needed. If the higher density exceeds the range, then a comprehensive plan amendment would be needed. However, the comprehensive plan should include policies supporting the density credit concept. The other small cities indicated that comprehensive plan amendments may or may not be needed, depending on the densities or incentives offered. Chris Behee indicated that the City of Bellingham already has designated receiving areas and would likely maintain these until capacity is exhausted.

TDR Opportunity # 2 – Additional Incentives

The Work Group made the following modifications to the draft discussion paper:

The *Regional Transfer of Development Rights in Puget Sound* report indicates that, in addition to increased residential densities, creative incentives offered by a TDR program may include but are not limited to:

- Increased commercial floor area;
- Increased building height;
- Reduced parking requirements;
- Increased impervious surface;
- Reduced open space requirements; and
- Reduced setbacks (p. 5).

Whatcom County should incorporate creative incentives into the Zoning Code to provide a wider array of options for developers. In addition to the above incentives, the County and cities may want to consider the following methods or other methods appropriate to the jurisdiction, if TDRs (or density credits) are used:

- Allowing developers to reduce minimum urban densities in cities (should not allow suburban densities though);
- Providing city water and/or sewer outside city limits; and
- Reducing critical area buffers.

The Work Group discussed possible incentives that could be offered and concern was expressed that, if more development in cities is desirable, costs should be reduced rather than increased. One developer did recently utilize the City of Bellingham's PDR program to increase density.

Concern was expressed about increasing the cost of housing in a city. Staff indicated that the County did a review of two developments along Telegraph Rd. (now in the city). One used TDRs to increase density and had an average lot size of a little over 2,000 square feet. The other did not use TDRs and had an average lot size of almost 6,000 square feet. The homes in the development using TDRs had assessed values significantly below the homes in the other development. However, it was also acknowledged that not everyone wants to live on such a small lot.

Several planners from the small cities expressed concern that some of the incentives listed may not work in their jurisdictions. The listed incentives would act as a menu that cities could select from or formulate other incentives that would be valuable to developers in their jurisdictions. Rollin indicated that there may be room to increase residential densities in some of the cities he serves.

Jori indicated that any incentive involving increasing impervious surface may be challenging under Department of Ecology stormwater rules. Michael agreed and indicated that the small cities may have difficulty implementing such an incentive.

Ralph met with the City of Bellingham's Habitat & Restoration Manager to discuss TDRs and wetlands. Using TDRs/PDRs in conjunction with wetland fill would be very difficult. However, using TDRs/PDRs to reduce wetland buffers may be more flexible. It was noted that wetland buffers are set in the critical areas ordinances, which must include best available science under the Growth Management Act. Michael indicated that TDRs/PDRs are not the same as wetland mitigation and that Ecology would need to buy into the concept before they would start going down that path. Betty said developers need to be able to actually use the incentives being offered, without resistance from Ecology.

With regard to the concept of providing city water in rural areas outside city limits, Michael said cities need to ask whether they really want to give water to rural land owners when it may be needed for urban residents in the future.

TDR Opportunity # 3 - Additional City TDR Receiving Areas

The Work Group made the following modifications to the draft discussion paper:

Cities have raised the issue that a TDR or density credit program should be meaningful to city residents and decision makers. For example, funds from density credits for increased land use intensity in a city could go towards a variety of public benefits, including but not limited to:

- Regional trail corridors that connect urban areas;
- Publically accessible open space;
- Watershed protection;
- Habitat and environmental resources;
- Agricultural lands; and
- Scenic view sheds.

The Work Group discussed the concept that funds raised from a future density credit program should go towards land purchases/projects that benefit the County and the applicable city, such as properties including trail corridors. Chris Elder, the County's PDR Program Administrator, indicated that providing mutual benefits to the city and County is a viable goal. He stated that there is currently a PDR application for a property adjacent to Everson that would preserve farmland that has provided informal trail access along the dike in the past (but is not currently open to public access). Recreation areas near cities, that could benefit city residents, are attractive features to consider in the PDR program. Jori indicated that it may open additional funding

sources if a site is also used for trails/recreation. Rud indicated that trails attract people to the area. Michael was positive about the possibility of using any future density credits funds for trail corridors near cities, rather than projects that have little or no benefit to city residents. Chris Elder indicated that there are many opportunities to incorporate multiple values, such as conservation of agricultural working lands, environmental protection, and future trail corridors, into PDR land purchases.

TDR Opportunity # 4 - Additional County TDR Receiving Areas in UGAs

No changes to this section of the draft report.

TDR Opportunity # 5 – Rural to Rural TDRs

The Work Group discussed accessory dwelling units (ADUs). Currently, ADUs are allowed in the Residential Rural, Rural, and Point Roberts Transitional District zones.

Several work group members liked the idea of allowing an increase in the size of an ADU if the density credit program is used. Ralph said that banks have strict standards for lending to home owners for ADU rental units.

Rud raised the concept of allowing an investor to pay to retire one full rural development right in exchange for eliminating the following ADU requirement:

The owner(s) of the single-family lot upon which the accessory apartment or detached accessory dwelling unit is located shall occupy as their primary domicile at least one of the dwelling units on that lot.

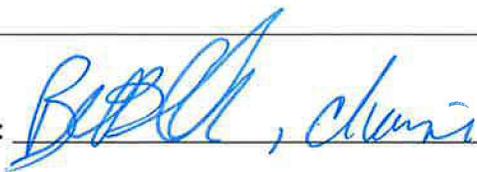
This would allow an investor to rent out both the main house and the ADU on the property, as the owner would not have to live on the site. The Work Group asked staff to provide draft text for consideration at the next meeting.

Next Meeting

October 4, 2017.

Meeting Adjourned at 4:30 pm

Signed: _____



Ralph Black, Chairperson