



Office of Mayor Kim Lund
City of Bellingham

Expanding Housing Options in Bellingham
Executive Order 2024-02

An Executive Order directing City departments to immediately take administrative actions to increase housing opportunities across the housing spectrum.

WHEREAS, Bellingham is an immensely desirable place to live, boasting a vibrant cultural experience, exceptional outdoor opportunities and a strong sense of community; and

WHEREAS, the cost of housing in Bellingham reflects that desirability and has become out of reach to many members of our community; and

WHEREAS, the City's lack of housing supply is a barrier to economic growth and community wellbeing, as housing costs outpace wages, and it impedes workforce expansion; and

WHEREAS, according to the United State Census Bureau, in the last five years, the median rent in Bellingham has increased by 37 percent and the median home price by 56 percent; and

WHEREAS, median household income has not kept pace with increasing housing costs, and, as a result, according to the City's Consolidated Plan, 56 percent of renters and 24 percent of homeowners are cost-burdened, spending over 30 percent of their income on housing; and

WHEREAS, dramatic increases in home prices and slow wage growth makes homeownership increasingly unaffordable and creates significant increased pressure on the rental market; and

WHEREAS, studies show a direct correlation between houselessness and low vacancy rates; and

WHEREAS, increasing the supply of housing units has repeatedly shown an increase in vacancy rates and, in turn, reduces or hold rents and home values steady; and

WHEREAS, this year through November 15, 2024, the has City issued permits for 413 units of housing, which is about half of our annual target; and

WHEREAS, the City has yet to catch up from the deficit of housing units incurred during the 2008 – 2012 economic recession, and this deficit presently exacerbates our tight housing market; and

WHEREAS, the City plays a critical role in the affordability and availability of housing through regulations, incentives and subsidies; and

WHEREAS, it is essential the City take action to reduce the cost of housing while maintaining a high quality of life and meeting our commitments for climate action; and

WHEREAS, the City Council passed Resolution 2023-19 affirming that housing affordability and homelessness are a public health crisis and committing the City to “work together to take meaningful steps to increase the availability of affordable housing...”; and

WHEREAS, over the next 20-year planning period, Whatcom County anticipates adding between 28,000 and 41,000 housing units; and

WHEREAS, the state requires local governments to plan for this anticipated growth and target their development over a range of incomes; and

WHEREAS, of the housing units Whatcom County must plan for over the next 20-year planning period, the state anticipates more than 18,000 of those units should be for individuals making less than 80 percent of area median income; and

WHEREAS, Bellingham invests heavily in affordable housing through the Affordable Housing Property Tax Levy (\$4,000,000 per year), the Affordable Housing Sales Tax (approximately \$4,000,000 per year) and federal dollars; and

WHEREAS, while, since 2020, the City has spent over \$32 million on creating affordable and permanently supportive housing, building or protecting 771 units, we acknowledge that our local affordability tax monies are not sufficient to meet state targets on their own; and

WHEREAS, research has shown that increasing housing supply across the housing spectrum increases capacity for all income levels; and

WHEREAS, in 2023, the Washington State Legislature passed legislation to increase the availability of "middle housing," defined as housing types that fall between single-family homes and large apartment complexes, generally including duplexes, triplexes, fourplexes, townhomes, cottage housing and accessory dwelling units that are of compatible scale, form and character of single-family homes; and

WHEREAS, existing residential zoning has discouraged the development of middle housing forms and prioritized detached single-family homes; and middle housing has historically been difficult to develop under existing residential zoning regulations that prioritize single-family homes; and

WHEREAS, 75 percent of land zoned as residential in Bellingham is currently developed with single-family housing; and

WHEREAS, this new state legislation requires Bellingham to allow a variety of housing types up to four units per lot, and up to six units per lot in some areas, depending on affordability of the units, and cities will be required to limit design review to be no more restrictive than required for detached single-family housing; and

WHEREAS, if Bellingham does not adopt regulations that conform to the middle housing legislation within six months of adopting the periodic update to the Comprehensive Plan in 2026, local regulations in conflict will be superseded, preempted and invalidated by state law; and

WHEREAS, this legislation will increase density in Bellingham; and

WHEREAS, middle housing can be less expensive to build than single-family housing by increasing the development potential of any given property; and

WHEREAS, in the City’s 2023 Housing Preference Survey, 58 percent of respondents said they would prefer to live in small-scale residential or urban residential areas, with diverse housing mixed with commercial services, good bicycle and pedestrian connectivity, and access to transit; and

WHEREAS, denser urban development fosters economic growth through walkable, neighborhood-level businesses, lowers barriers to entering the housing market and promotes inclusive neighborhoods; and

WHEREAS, studies show that density within existing service areas significantly lowers the cost of government by spreading incurred costs over a greater number of individuals and reducing the geographical distribution of services, such as public safety, utilities, roads, sidewalks and transit; and

WHEREAS, the City’s 2018 Climate Action Plan called for reducing vehicle trips by 27 percent by 2036 and identified greater urban density as a requisite to support that goal of switching to biking, walking and mass transit modes of transportation; and

WHEREAS, denser urban development further advances climate action, allowing for greater preservation of forested lands, agricultural lands, urban trees and other critical areas by reducing the impacts of urban sprawl; and

WHEREAS, housing development in our downtown will benefit the whole community by supporting a more vibrant, activated city center, in alignment with the City’s Downtown Forward Plan; and

WHEREAS, parking minimums reduce land supply that could otherwise have housing or retain landmark trees by committing it instead to parking or limiting the developable capacity of the land to accommodate parking requirements; and

WHEREAS, delayed City action regarding parking minimums has led to uncertainty and delays for much-needed development projects; and

WHEREAS, reducing complexity, time and uncertainty in the permitting process reduces the cost of development; and

WHEREAS, in 2023, the State Legislature passed a series of laws requiring permit streamlining and reporting on timelines; and

WHEREAS, the City’s zoning is overly complicated, with nearly 480 different neighborhood subareas, and these zoning differences between our neighborhoods reflect and perpetuate inequities of the past and present; and

WHEREAS, the development industry plays a significant role in expanding housing options, and responsive, solution-oriented outcomes from the City require collaboration and responsive proposals from developers and builders; and

WHEREAS, construction activity generates a significant portion of City general fund revenue, which supports many priority programs and essential services; and

WHEREAS, sufficient, affordable housing promotes the City’s economic growth, helps employers attract and retain qualified workers at all income levels and maintains Bellingham as a desirable and attainable place to live; and

WHEREAS, quality affordable housing and equitable neighborhoods are foundational factors for health and wellbeing, fostering stability, prosperity and opportunity for city residents; and

WHEREAS, bold action is required to better realize a Bellingham that offers expanded housing opportunities for all members of our community.

NOW, THEREFORE, I, Kimberley Lund, Mayor of the City of Bellingham, hereby order the following actions to increase housing opportunities across the housing spectrum.

Section 1. Administrative actions ordered:

- A. Direct the City's Development Review Team to adopt a solution-oriented approach to achieve our density, affordability and climate goals; proactively communicating with and supporting applicants; and seeking to simplify reviews where possible. The City's Development Review Team includes staff from Planning and Community Development, the Fire Department, the Parks and Recreation Department and the Public Works Department.
- B. Direct the Development Review Team to prioritize the review and permitting of residential projects that include low-income housing and/or infill development, and/or projects in key target areas, by creating a clear prioritization as follows:
 1. Downtown and Old Town development
 2. Low-income multifamily
 3. Middle housing
 4. Urban village multifamily
- C. Reevaluate development review timelines, seek to implement process improvements, create performance measures and institute bi-weekly check-ins with the Development Review Team and Mayor's Office staff to ensure clear expectations, quickly identify roadblocks and reduce inefficiencies and complexity within the City's permitting process.
- D. Expand engagement with the local development community to encourage the acceleration of development projects that align with the priorities above, identifying barriers and seeking collaborative solutions.
- E. Identify potential catalyst sites in Downtown and work with developers to facilitate redevelopment, streamlined reviews, potential permitting strategies and other incentives.
- F. Identify a new location and work with community partners to facilitate an additional tiny home village.
- G. Continue assertively seeking properties and partnerships to create permanently affordable housing while evaluating options to better utilize and expand the Bellingham Home Fund.

- H. While developing regulations to implement middle housing legislation, seek ways to incentivize retaining existing, character-defining homes in residential neighborhoods.
- I. Continue to support rental inspection and protection programs and enhance future policies by creating a limited-term rental working group to better inform City policies, practices and actions.
- J. Prioritize lobbying efforts to advocate for changes at the state level to enable vacancy taxes, streamlined wetland mitigation bank creation and other legislative tools that currently hamper growth and community vibrancy.
- K. Evaluate possible changes to the City's permit review fee structure while ensuring full recovery of City project review costs for major and complex development projects.
- L. Continue refining new regulations for urban trees while evaluating existing regulations for landmark trees, land clearing and street trees to create greater consistency and predictability and improve the landmark tree ordinance to better align with our broader community goals.
- M. Explore actions that would increase neighborhood equity, including removing legacy racial covenants and involving under-represented community members in processes and City advisory groups.
- N. Develop with the City Council quarterly work sessions on land use policy concepts and opportunities to make substantial improvements to the City's land use and development codes in support of our broader density, affordability and climate goals. Work session topics could include:
 - 1. Explore permitting uses that are currently conditional to support pedestrian-focused development in residential neighborhoods, including childcare facilities, eating facilities and small-scale commercial uses.
 - 2. Explore height bonuses for affordability, 1 percent for public art installations or nature-integrated designs.
 - 3. Explore other infill approaches, such as adoption of single stairwell regulations, single room occupancy and lot splitting.
- O. Undertake a cost of service and scenario analysis to help educate the community on benefits of density and middle housing forms and to better inform our growth strategies, including annexations.
- P. Finalize changes to Multi-Family Tax Exemption program thresholds to better facilitate affordable housing.

Section 2. Legislative actions for accelerated City Council consideration:

- A. Immediately draft an interim ordinance for City Council consideration to remove parking minimums citywide while following best practices for ADA parking, access requirements, electric vehicle charging and other key factors.

- B. Immediately draft an interim ordinance for City Council consideration, ahead of state mandates, supporting increased middle housing through the adoption of the Infill Toolkit citywide.

- C. Draft an interim ordinance for City Council consideration, ahead of state mandates, streamlining design review.

This Executive Order is issued under the Mayor's inherent powers as the chief executive and administrative officer of the City of Bellingham and not using the Mayor's emergency powers under Bellingham Municipal Code 2.57.060. Questions regarding this Executive Order should be directed to the Mayor's Office, (360) 778-8100 or mayorsoffice@cob.org.

Dated this 21st day of November 2024

A handwritten signature in blue ink, appearing to read "Kimberley Lund".

Kimberley Lund,
Mayor, City of Bellingham