

Proposed Actions To Support Small-Scale Incremental Infill Development in Single Family Zones in the City of Bellingham

Goal: *make the residential development process usable for small-scale projects, regular homeowners and small-scale operators.*

This policy model is developed from:

- “Proposals to Increase Access to Housing for All Income Levels in the City of Bellingham”, written by the **Whatcom Business Advisory Council - Working Group on Housing**
- “Go Big And Grow Homes: Available policy levers to increase affordable home pipeline,” written by Dean Fearing & David Ellsworth-Keller of **Kulshan Community Land Trust**
- Ongoing feedback and consultation with **key stakeholders**
- Academic research on **policy models for economic inclusion, community wealth building, and development without displacement**
- ***A series of stakeholder interviews conducted over Jan - May 2023***

Revise Existing:

(Kulshan CLT). Expand the analysis of cost burdened households by income, to 200% of MFI

(Business Advisory Council) Target an average rental vacancy of 3-5% for all income levels, and available housing supply of 4-6 months for all income levels.

1. *Track housing inventory against the number of available jobs across income levels and overall household income demographics.*

(Business Advisory Council) Streamline the permitting process for affordable housing projects.

1. Expedite permitting for permanently affordable housing (complete permit sets approved within 90 days).
2. Approve land use permits within 4 months, and building permits within 3
3. Adopt inclusionary zoning, with incentives for permanently affordable homeownership and rentals.

Funding (Business Advisory Council):

1. **Use Port of Bellingham's Economic Development Investment funds as a long term, low interest loan to pay for onsite infrastructure for affordable housing development (include small-scale & owner-occupied development in eligibility for this funding).**
2. Administer all the Bellingham Housing Levy locally, instead of shifting the homeownership portion to the Washington State Housing Finance Commission. This would allow Kulshan CLT to resume scattered site home purchasing.

Revisions to BMC 20.29 - Affordable Homeownership Incentive Program (Kulshan CLT)

1. Increase the earned density bonus in BMC 20.29 (demonstration ordinance) to 200%
2. *Create a subset of this code section dedicated to owner-occupied and small-scale infill development*
3. Waive all permitting fees for owner-occupied and small-scale infill development projects with affordable rent/sales covenant applied to new unit (oversight for buyer/renter income qualification provided by partner agencies).

Revisions to BMC 20.28 - Infill Toolkit (ITK) (Business Advisory Council)

- a. Make ITK a Type 1 process (up to 4 units), **allow by right**, and reduce design review by adopting **Form Based Code**.
- b. Reduce design standards in ITK, especially the ones that are consistently modified by the Planning Director or Hearing Examiner.
- c. Allow residential development with binding site plan
- d. **Simplify and expand the ITK to all residential zones including urban growth areas**
- e. Remove the Floor Area Ratio and Greenfactor requirements from the ITK.
 - i. *FAR and Greenfactor are already governed by other sections of code, having additional requirements in the ITK is redundant and excessively limits what can be built.*

(Business Advisory Council + Model Policy Research)

Revisions to General Bellingham Municipal Code

1. **Measure floor area to exterior of stem wall** not exterior of siding (or exterior of wall framing) for ADU, or those using exterior insulation. Existing code measures floor area to exterior of siding, which penalizes high r-value insulation and exterior siding assemblies.
2. Extend all city and county land use permit timelines to a minimum of 5 years to align the Infill Toolkit with stormwater permits, development agreements, and wetland permits.
3. **Eliminate "Rule of 3" regarding the number of unrelated people living together in a home.**

Adopt New

Schedule informal monthly *workshop* between Planning director, staff, land use consultants, tenants, homeowner-developers, for-profit and non-profit developers for feedback in all directions (*Business Advisory Council + Model Policy Research*).

1. Coordinate with [Generations Forward & Family Council](#) for recruitment and administration of stipends to tenant participants, or any participant who is requested to join workshops for their “lived experience”.
 - a. Model after Dept of Commerce [Compensation For Lived Experience Draft Policy](#).
2. Contract with the [Incremental Development Alliance](#) for facilitation and training content.

Develop an Equity Analysis Dashboard for Bellingham & Whatcom County (*Case Study Research*)

1. Modeled after [Tacoma's Equity Analysis Map](#)

Develop a catalogue of pre-approved building designs for infill development (*Case Study Research*)

4. Allow prefabricated factory-built construction for all infill models

Land Use & Building Code (*Kulshan CLT + Model Policy Research*):

1. Adopt as a pilot program, an ordinance to **allow ADU, duplexes, and up to 4-plexes in all single-family zones (*may be superseded by state legislation*)**.
 - a. **Spokane C36232** as model code.
 - b. Conduct Lean Scan / Zoning Audit of all Bellingham neighborhoods to identify underutilized assets and opportunities for affordable infill development.
 - c. Identify [Pink Zones](#) for participating neighborhoods to develop pilot projects of new policy, and innovative building design and ownership models.

2. Allow Residential Building Code Variance (CUP?) for small footprint affordable housing units

(*Consultation with Builders, Architects, Building Energy Efficiency Experts*):

- a. Develop a pre-approved small footprint variance to residential building codes that reduces energy efficiency requirements for units less than 600sf (bonus if locally prefabricated). Incentivize high quality thermal boundary and building structure with reduced efficiency requirements on highest-cost *mechanical appliances and building materials*.
 - i. *Or provide subsidy funding for high-cost high-efficiency mechanical units as extension of utility grid infrastructure for affordable housing.*
- b. **Wave efficiency requirements for High-Cost mechanical equipment:**
 - i. High-E Triple Pane Windows
 1. Allow basic double pane vinyl
 - ii. Heat Pumps
 1. Allow alternate options: Infrared panel heaters, Radiant panel heaters, Radiant floor heating
 - iii. Heat Recovery Ventilator
 1. Allow exhaust-only ventilation

c. Earned incentive points for:

- i. Solar, or other onsite energy production, that provides [minimum %] of power generation for the unit's electrical needs
- ii. Passive ventilation accomplished through architectural design elements.
- iii. Exterior sunshade elements that reduce need for mechanical cooling
- iv. Covered outdoor living spaces as integrated elements of building design (covered porches, patios, awning.
- v. Extra investment in landscaping, fruit bearing trees, incorporation of biophilic design elements.
- vi. Painting the unit any color other than grey

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