

## **CHAPTER 3 – The Housing Element**

### ***3.1 Introduction***

Access to sufficient housing is a fundamental human need but also a foundational component to a strong and stable community. A community's residents will need access to a variety of housing options at a variety of price points in order to supply the diversity of housing needs that are seen in a community.

#### ***3.1.1 The Growth Management Act***

The Growth Management Act (GMA) requires that cities encourage the availability of affordable housing to all economic segments of the state's population, promote a variety of residential densities and housing types, and encourage the preservation of existing housing stock. The Housing Element addresses existing housing conditions, takes stock of housing supply, addresses needs that are not being met, encourages the preservation of existing neighborhood character and identifies conditions and opportunities available to develop additional housing in the city.

As Lynden grows and with the always changing cultural, economic and social realities, the city's housing needs are also changing. As the city's demographic profile stabilizes, as housing prices continue to rise, and as the city continues to be attractive as both a retirement community and a great place to raise a young family, the city will need to adapt its new housing options to these realities. Furthermore, as the city makes efforts to increase its density to 5 units/acre it will need to be intentional about considering minimum densities in new developments, supporting multifamily development and look for intelligent ways to promote infill development.

### ***3.2 Geographic Context***

Whatcom County's population is approximately 207,000 residents. 57% of these people are distributed across 7 municipalities (or Urban Growth Areas) with Bellingham being by far the largest population center. Nearly 6% in Whatcom County live in Lynden. 43% of Whatcom County residents live in unincorporated areas in the county.

Whatcom County prepared an extensive document, the Whatcom County Housing Analysis 2015, as a part of its Comp Plan update. It has a wealth of information on demographics, population growth, households, and housing cost burdens.

**Table 1: Demographic Characteristics of Lynden in its Geographical Context**

	Lynden	Whatcom	Washington	USA
<b>Median Age</b>	39.6	36.5	37.3	37.3
<b>Percent 65+</b>	<b>20%</b>	14%	13%	13%
<b>Household Size</b>	2.57	2.5	2.54	2.63
<b>Family Households</b>	70%	62%	65%	66%
<b>Married Family</b>	<b>88%</b>	80%	77%	73%
<b>Of Non-Family Households: "65+ and live alone"</b>	<b>57%</b>	25%	26%	29%
<b>Language other than English</b>	10%	12%	19%	21%
<b>Percent in single family units</b>	67%	63%	63%	62%
<b>Percent in Multifamily of 20+ units</b>	<b>10%</b>	8%	9%	9%
<b>Percent owner occupied</b>	69%	63%	63%	65%
<b>Median House Value</b>	\$275,000	\$277,000	\$262,100	\$176,700
<b>Percent renter occupied</b>	31%	37%	37%	35%
<b>Median rent</b>	\$857	\$890	\$973	\$904
<b>Median per capita income</b>	\$25,430	\$26,530	\$30,742	\$28,155
<b>Percent in Poverty</b>	8.3%	16.4%	13.4%	15.4%

Some of the highlights indicate that a significant percentage of Lynden residents are over 65 years old. Additionally, a high percentage of Lynden households are married families. And finally, housing costs are high across the board in Washington State, Lynden included.

### **3.3 Existing Conditions**

After a slowdown in the late 2000's, Lynden has again begun adding housing units quite rapidly. Lynden has added 306 single family houses and 149 multi-family units since 2010.

The American Community Survey (ACS) is a Census Bureau program that produces population, demographic and housing estimates for municipalities across the nation. It is based on broad survey methodology and actual census data. Their housing characteristics survey for 2010-2014 gives a detailed picture of the current housing stock in Lynden.

**Table 2: Housing Types in Lynden**

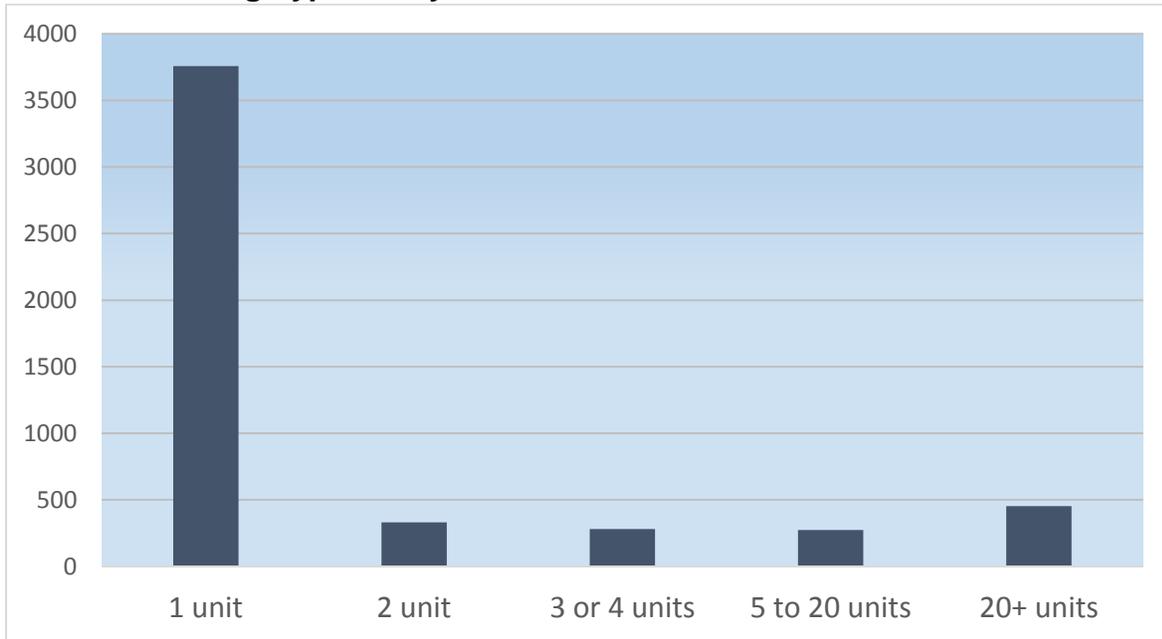


Table 2 shows the number of single family residences (73%) and how the multifamily (27%) units are distributed. Duplexes, triplexes, and four-plexes combine to total 615 units, with an average occupancy rate of slightly above 90%. Housing complexes that consist of five or more individual units make up 14.9% (784 units) of the City's total housing units. With a 94% occupancy rate, these complexes house nearly 1,200 residents.

**Table 3: Number of housing units in Lynden built by decade**

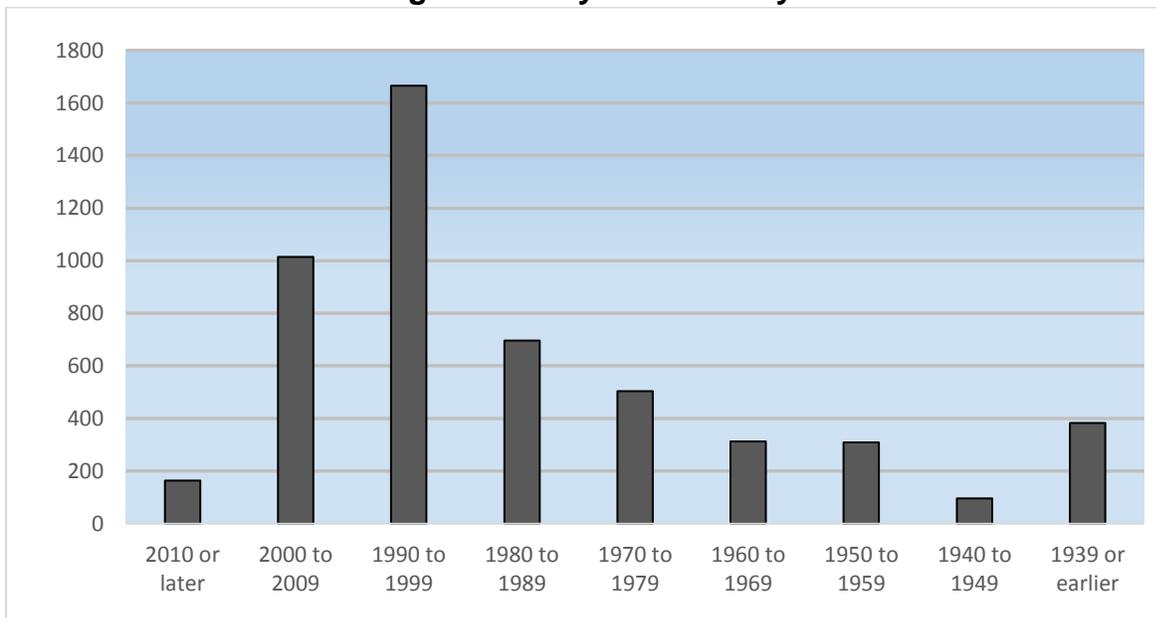


Table 3 shows the large number of housing units built since 1980 which obviously corresponds to the population boom during that same period. The decrease in the 2000's parallels the economic recession late in that decade which dramatically slowed new housing construction.

**Table 4: Percentage of Income that Lynden Residents Spend on Housing Costs**

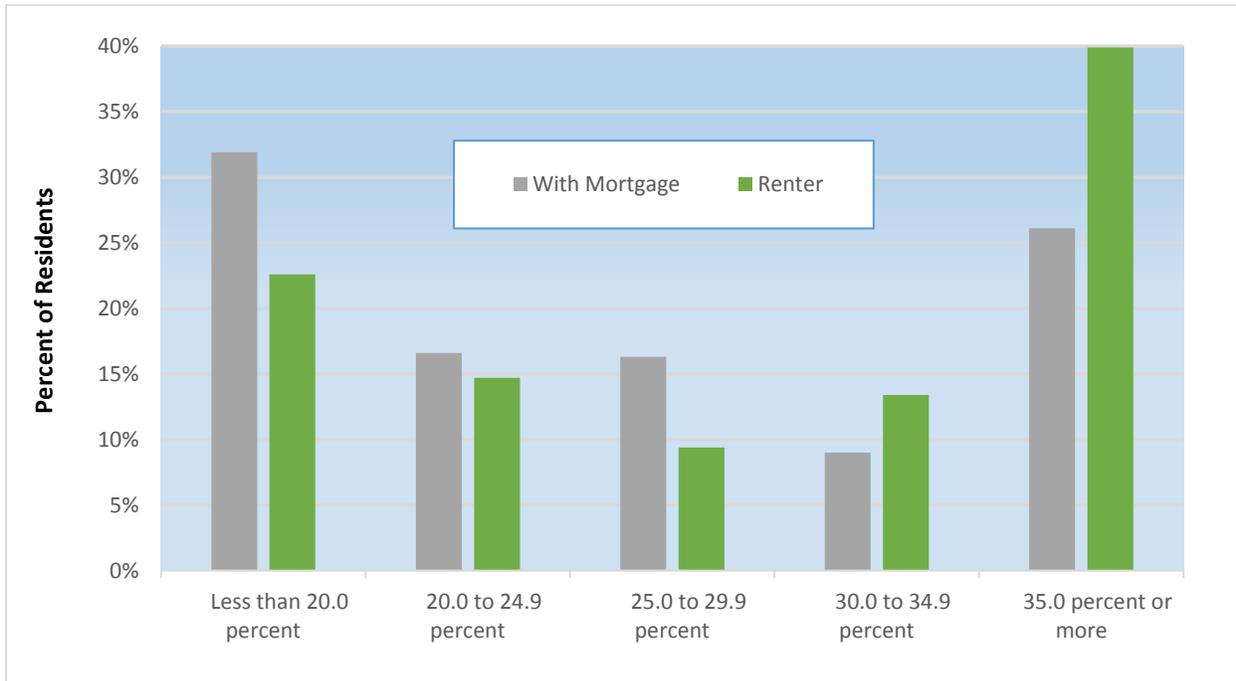


Table 4 shows the significant number of residents that are considered “cost burdened”. More than 35% of homeowners with a mortgage pay more than 30% of their income on housing costs. More than 50% of renters pay more than 30% of their income on housing costs. These families likely have difficulty affording other needs such as food, clothing, transportation and medical care.

### **3.4 Future Housing Needs**

Based on Lynden’s projection to add more than 6,400 people to the City, it is important to consider where their housing needs will be met as well as what it will look like. At the current household size of 2.6 people per household the expected number of housing units needed is 2,463 units. In order to meet the City’s density goals and to continue to provide a variety of housing types in the city, the percentage of multi-family units in the new UGA additions will be higher than the current 27%.

Using Lynden’s land capacity analysis, the City can make assumptions for what the new housing can and should look like to meet our density needs. With the recent additions, the current UGA has the capacity to house nearly 6,500 people. Its dwelling unit capacity is 2,864 units, higher than the projected need. In order to meet its density

goals the percentage of single family to multi-family residences will need to adjust to an approximate 60% single family (1,644) to 40% multi-family (1,220) rate. The UGA has the capacity to hold that many homes. Reaching those levels will require forethought and using some planning tools that Lynden has not used before.

### ***3.5 Housing Density and Design***

Since the city's original Comprehensive Plan in 1995, the issue of density has been an important topic. Even then, the community expressed an interest in increasing density if that meant protecting the surrounding agricultural lands. The question is how to promote increased density and also continue to maintain existing neighborhood character.

In 2004, the City adopted various development regulations that have supported increasing the average residential density and ensuring that the character of the community is not lost. The RMD zone provides design guidelines and flexibility within the regulations to encourage better design and character within the neighborhoods.

Design issues have always been important in Lynden. In 1993, the City established a Design Review Board, initially with the purpose of reviewing renovation plans in the Historic Downtown. Today the DRB is tasked with reviewing all commercial plans and any multi-family building with more than two units. The intent of this level of review is to ensure the community's character and aesthetic values are met.

Prior to the 2004 update, the City held a visual preference forum that reviewed issues of density, design and the City's goals for housing. The participants in this survey agreed that the City should preserve the aesthetic character of the community and that a variety of housing types and styles should be available within the community. Neighborhoods with positive streetscapes (street trees, landscaping and sidewalk separated from the street) scored quite well with the participants, even coupled with higher density development. Too much landscaping and reduced front yard spaces scored low with participants: comments indicated that the neighborhood felt crowded and confined. It is safe to assume these same preferences apply today.

Participants in the workshops were encouraged by the number of development concepts that provide alternative designs and increased density without seeming to degrade value and character. It was also recognized that it will be a challenge to introduce new development concepts in established neighborhoods.

Strategies to consider for meeting the challenge of design and density include the following:

1. Develop urban design standards for new subdivisions to encourage development that compliments Lynden's character and surrounding areas.
2. Develop zoning standards and design guidelines for a variety of housing types, including mixed uses in the downtown area and cottage housing.

3. Implement a transportation plan that encourages efficient circulation, pedestrian connections, and safe travel for all who use the system.

### **3.5.1 Further Planning Tools for Increasing Density**

Lynden's population density has been rising since 1980 but it is still under 4 units per acre. The original (1995) Comprehensive Plan goal of increasing Lynden's density to 5 units/acre remains. Understandably, housing development is primarily driven by maximizing profit, so municipalities need to first plan for increased density as they expand into unoccupied portions of the Urban Growth Area. But, cities also need to provide incentives for increasing density in existing neighborhoods. What are some planning tools that could be used to help reach that goal?

#### **The Zoning Code**

Altogether changing the current zoning code to decrease the minimum lot size would likely have the most dramatic impact on future density. For example, decreasing the lot size minimums in the RS zones would open the door for smaller lot sizes than are currently allowed. The city could decrease the RS-72 (7,200 sqft minimum) to an RS-68 (6,800 sqft minimum). Or the city could rezone some of the RS-100 (10,000 sqft) to a smaller minimum. This same approach could be taken with the RM zones where the city could increase the number of multifamily units allowed within the RM zones. Of course, these types of changes tend to generate controversy so they would need to be approached with caution and wisdom.

As the city continues to annex and plan for development in undeveloped portions of its Urban Growth Area, it will need to determine the appropriate zoning designations for those areas. It can select the higher density zoning designations (both RS, RM or RMD) in these new areas.

#### **Density Bonuses**

This is a method for allowing more density than is permitted by code in exchange for the development providing some sort of public good, most often for affordable housing. This is an incentive for developers as they can increase the number of allowable units on the property which would increase their profit. This is beneficial to municipalities because it incentivizes affordable housing development and they are provided at zero cost to the municipality.

Lynden currently allows density bonuses in its Planned Residential Developments (PRD) when they provide a certain amount of land for common use (either open space or community facilities). If a PRD sets aside 10% of the land for common use it can increase the base density by 5%. If they set aside 20% they can increase the base density by 10%.

### **Inclusionary Zoning**

Inclusionary zoning is a regulatory tool that requires development to include an established percentage of units as affordable housing which tends to be higher density development. The costs of providing affordable units is offset with density bonuses. The affordability levels for this requirement are also designated by the local government to target specific income levels (for households earning a specific percentage of the median income or a range of percentages). Often times the resale price of these units are restricted for a certain number of years. This tool needs to be enacted through a local ordinance and generally only applies to new developments at or above a certain size (ie. 20 or 50 units).

Lynden does not currently use this tool.

### **Land Assembly / Graduated Density Zoning**

This tool is often used to promote infill development and is likely more appropriate in large urban centers. Often, high density development in urban centers is prohibited by the inability to assemble large enough parcels of land together for a higher density redevelopment. The developer's plans are often stymied by holdout parcels. Graduated Density Zoning is a planning tool that allows higher densities for larger properties. So larger properties are allowed to increase density depending on their size. The increase in density on that larger property also increases the value. In this manner, it incentivizes cooperation between possible holdouts because if they hold out they will be left with a smaller parcel and therefore a less valuable parcel.

This tool is likely not as appropriate for a small city like Lynden which is not going to have the demand for large scale high density redevelopments. But it is a possible tool that could be used for smaller redevelopment projects that might occur in the future.

## **3.6 Affordable Housing**

Similar to the density topic, the issue of affordability in housing is an increasingly important topic. Housing costs continue to rise in Washington State in general and specifically in Whatcom County and Lynden. While the typical Lynden resident has also seen an overall increase in their average income that increase has not kept pace with the rising housing cost. The rising housing costs disproportionately impact lower income residents and first-time home buyers. It makes it more difficult to enter the housing market so young adults and lower income residents will be more inclined to rent or relocate elsewhere rather than buy.

Table 4 (above) shows that more than 35% of homeowners and 55% of renters in Lynden pay more than 30% of their income on housing costs. Actually, most of those pay 35% or more of their income. This is further exemplified in a simple analysis of the

current median mortgage payment (\$1,593) which is 32% of the current median income (\$4,918/month). Essentially, there are a significant number of Lynden residents that are in an “unaffordable” housing situation. People that pay above 30% of their income on housing costs are considered “cost burdened” meaning they are more likely to face difficult financial choices in meeting their basic needs. Of course, as that percentage increases those choices are going to be more frequent.

Lynden currently has a very limited supply of “affordable” housing projects. Many apartment complexes allow their tenants to pay rent with available housing assistance. There are two rental complexes (Apple Valley with 28 apartments and River House Apartments with 50 apartments) that offer subsidized housing rates for senior and disabled residents. There are zero examples of single family home developments that have been specifically targeted to the lower income, first-time home owner, or fixed income residents.

Affordable housing was considered an issue in when Lynden adopted the 1995 Comprehensive Plan. From the “cost burdened” numbers, it is apparent that housing affordability is still a major issue. There are some planning tools that could be further considered to help alleviate some of the housing burden.

### ***3.6.1 Further Planning Tools for Affordable Housing***

Density and affordability often go hand in hand. Obviously large lots with large houses are going to be more expensive than small houses on small lots. So most of these tools were already discussed in the above “increasing density” section.

#### **The Zoning Code**

Decreasing minimum lot sizes in the residential zones both increases density and decreases development costs. So, while not specifically an affordable housing tool, the actual zoning code impact housing costs. This could be done in new development areas as the city expands into the unoccupied UGA or targeted by local ordinance in certain areas within the city.

#### **Inclusionary Zoning**

This was discussed above but is a specific development tool that can be enacted only by a local ordinance. It is a requirement applied to development projects greater than a specified size where a percentage of the units need to be “affordable” units. The costs of providing those affordable units are offset by density bonuses.

#### **Affordable Housing Districts**

This is planning tool used to target a specific area of the city where affordable housing development should/can occur. Generally, within these areas, special zoning exemptions can be granted. Examples of exemptions might be the relaxing of height restrictions or decreasing the parking requirements of a development. These

exemptions are designed to decrease development costs. While this tool is most often used in large cities, it could be used to varying degrees in a small city such as Lynden. Perhaps by coupling with tax breaks or decreasing impact fees there might be a developer willing to build higher density, smaller entry-level homes.

### **Adaptive Reuse**

These projects create new housing in already existing buildings that were formally used for commercial, public or industrial purposes. They might require a zoning variance or additional city assistance but can be affordable because of the existing infrastructure that is already present.

### **Financial Assistance to the Resident**

There are a multitude of financial assistance programs (federal/state) available to low income renters and first time home buyers. The barrier to the resident may be finding out what is available and navigating the process of eligibility to the programs. Lynden currently does not administer any local assistance programs.

### **Lynden Housing Task Force**

It has been suggested that a Housing Task Force be appointed by the Lynden City Council. The goal of the task force would be to complete a comprehensive inventory of Lynden's housing supply, research and determine possible solutions for the current housing affordability issue, develop housing priorities and strategies that are consistent with Housing Element Goals and Policies, monitor the effectiveness of the proposed strategies, document the need of and land available for affordable housing, and finally, report to and draw upon the community throughout the process. This task force would assist the community in determining what will work best and continue to involve citizens in the planning for the future of their City.

### 3.7 HOUSING GOALS AND POLICIES

#### **Goal H-1: Maintain and enhance the quality of existing neighborhoods.**

##### **Policies**

- 1.1. Establish standards for infill development that ensure compatibility with the character of existing neighborhoods.
- 1.2. Enhance and maintain public rights-of-way, parks, and open spaces by providing sidewalks, lighting, landscaping, and other amenities.
- 1.3. Provide buffers, including landscaping, between commercial, industrial, or higher density land uses and existing residential neighborhoods.
- 1.4. Solicit neighborhood and community comment on proposed plans in existing residential neighborhoods.

#### **Goal H-2: Provide a mix of single-family and multifamily homes that achieves the density necessary to accommodate projected population growth over the 20-year planning period.**

##### **Policies**

- 2.1. Zoning should be applied to ensure that future residential development over the planning period is composed of approximately 60% single-family units and 40% multifamily units.

#### **Goal H-3: Provide for a wide variety of housing types, including low cost housing, for different needs and desires in appropriate locations.**

##### **Policies**

- 3.1. Allow multi-family housing to be dispersed throughout the City as long as the character of existing neighborhoods is maintained.
- 3.2. Encourage use of the **Planned Residential Development** ordinance, which allows for diversification of housing types and the preservation of open space.
- 3.3. Provide zoning that allows for mixed density neighborhoods.
- 3.4. Where the Planning Commission and the City Council finds that there are adequate reasons for such designation. These reasons may include special topographical conditions, geographic location, and the creation of large planned unit residential developments.

- 3.5. In order to provide for a wide choice of housing types and costs, the City of Lynden will allow, in appropriate areas, alternative residential housing units such as group and cooperative housing, assisted living facilities, mobile and modular homes.
- 3.6. The City of Lynden encourages the construction of new senior housing, and may allow bonuses such as lesser parking requirements and increased density to encourage this type of housing.
- 3.7. The community of Lynden will provide creative opportunities for affordable housing, for all income levels, with the emphasis toward ownership, for at least 80% of those households who: 1) are at or below 80% of median income for Whatcom County, 2) and whose shelter costs exceed 30% of gross income.
- 3.8. The City of Lynden will encourage the inclusion of affordable housing units or lots in developments by granting some special exceptions to a developer. These exceptions include smaller lots, higher density, reduced impact fees, or other exceptions as deemed appropriate by the Planning Commission and the City Council.
- 3.9. Redevelopment or infill development that creates new multifamily housing should be permitted at the fringes of existing industrial or commercial areas.

**Goal H-4: Establish standards for multifamily housing that ensure its compatibility with the existing character of Lynden.**

**Policies**

- 4.1. Provide architectural standards and architectural review of new multifamily development.
- 4.2. Ensure that new multifamily housing is integrated with existing neighborhoods, through its siting and design.
- 4.3. Provide buffers and greenbelts between multi-family and single family residences.
- 4.4. Ensure compatibility of scale, massing, setbacks, and other architectural elements between new multifamily development and existing adjacent single-family housing.