ORDINANCE NO. 2019-12-044

AN ORDINANCE OF THE CITY OF BELLINGHAM RELATING TO BELLINGHAM'S COMPREHENSIVE PLAN, AMENDING THE HOUSING CHAPTER TO ADD GOAL AND POLICY LANGUAGE REGARDING MANUFACTURED HOME PARKS.

WHEREAS, the City of Bellingham adopted the Bellingham Comprehensive Plan in 2016; and

WHEREAS, the City has a process to amend the comprehensive plan once per year in accordance with BMC 20.20 and BMC 21.10.150; and

WHEREAS, on July 9, 2018, the City Council held a public hearing and placed the proposed amendments on the annual review docket of comprehensive plan amendments; and

WHEREAS, the responsible official reviewed the proposed amendments under the procedures of the State Environmental Policy Act, and a non-project Determination of Non-Significance was issued on October 3, 2018; and

WHEREAS, as required by RCW 36.70A.106, notice of the City's intent to adopt the proposed comprehensive plan amendments was sent to the Department of Commerce on May 15, 2019; and

WHEREAS, after mailed and published notice as required by BMC 21.10, the Planning Commission held a public hearing on the amendments on October 18, 2018; and

WHEREAS, the Planning Commission determined that the proposed amendments satisfy the comprehensive plan amendment review criteria found in BMC 20.20.040; and

WHEREAS, the Planning Commission considered the staff report and comments received and thereafter made Findings of Fact, Conclusions and Recommendations for approval of the proposed amendments; and

WHEREAS, after mailed and published notice as required by BMC 21.10, the City Council held a public hearing on the proposed amendments on May 20, 2019; and

WHEREAS, the City Council considered the findings of fact, conclusions, and recommendations of the Planning Commission, the staff report, and the public comment and hereby adopts the findings of fact and conclusions and recommendations of the Planning Commission dated October 18, 2018; and

WHEREAS, based on the public testimony at the public hearing, the City Council revised the Planning Commission’s recommendations as shown in Section 1 of this ordinance; and

City of Bellingham
City Attorney
210 Lottie Street
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WHEREAS, the City Council finds that the proposed amendments, as revised by the City Council, meet the comprehensive plan amendment review criteria in BMC 20.20.040.

NOW THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:

Section 1. The Housing Chapter of the Bellingham Comprehensive Plan is hereby amended to include the following text:

There are ten manufactured home parks in Bellingham with a total of about 900 spaces. The parks are located in a number of different neighborhoods. All have residential comprehensive plan and zoning designations except Samish Court, located in the Samish Way urban village. These parks, and the units they contain, are some of the most affordable housing in the city. Therefore, it is appropriate to try to preserve some or all of them.

Goal H-5 Existing manufactured home parks (MHPs) should be preserved.

Policy H-55 Identify and evaluate methods to encourage the preservation of existing manufactured home parks to ensure their continued provision of affordable housing.

PASSED by the Council this __ day of ___, 2019

[Signature]
Council President

APPROVED by me this __ day of December, 2019

[Signature]
Mayor

ATTEST: [Signature]
Finance Director

APPROVED AS TO FORM:

[Signature]
Office of the City Attorney

Published: ____________________________

City of Bellingham
City Attorney
210 Lottie Street
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SUMMARY

Following the October 18, 2018 public hearing and deliberations, the Planning Commission has determined that the proposed goal and policy amendment to the City’s comprehensive plan related to the preservation of manufactured home parks is consistent with the comprehensive plan amendment review criteria. The Commission recommends that City Council approve the proposed amendment.

I. FINDINGS OF FACT

1. Proposal Description

In 2017, the City Council directed staff to review strategies to potentially preserve the 10 existing manufactured home parks (MHPs) in the City of Bellingham (See map, Exhibit A). The preservation of this form of housing has become an issue primarily due to the lack of affordable housing in Bellingham and other Western Washington cities. According to the Municipal Research Services Center, over 50 MHPs have closed in Western Washington in recent years.

In response to Council direction, staff contracted with David Nemens to do some preliminary background work and to research how other cities have addressed this issue. The results of that work are shown in Exhibit C, MHP Status Report and Policy Matrix.

Staff then developed the following goal and policy language that was proposed to be added to the Housing chapter of the City’s comprehensive plan through the annual amendment process:

There are ten manufactured home parks in Bellingham with a total of about 900 spaces. The parks are located in a number of different neighborhoods. All have residential comprehensive plan and zoning designations except Samish Court, located in the Samish Way urban village. These parks, and the units they contain, are some of the most affordable housing in the city. Therefore, it is appropriate to try to preserve some or all of them.

Goal H - Existing manufactured home parks (MHPs) should be preserved whenever possible.

Policy H - Identify and evaluate methods to encourage the preservation of existing manufactured home parks when appropriate to ensure their continued provision of affordable housing.

These methods could include, but are not limited to:
• Partnering with MHP residents, non-profit agencies and/or the private sector to acquire manufactured home parks.

• Zoning provisions limiting future uses and/or residential density increases on existing manufactured home parks sites.

• Requiring inclusionary affordable housing in any future redevelopment of a currently established MHP site.

• Facilitating the creation of new manufactured home parks.

If approved, the new language would support potential preservation of some or all of the existing MHPs. Once the goal and policy basis is established in the comprehensive plan, a second phase of the project will explore the range of measures the City could take to safeguard this housing form.

2. Procedural History

In 2017, the City Council directed staff to review strategies to potentially preserve the 10 existing manufactured home parks (MHPs) in the City of Bellingham.

A docketing request for a comprehensive plan amendment was submitted by the Planning and Community Development Department in March, 2018.

On May 17, 2018, the Planning Commission recommended docketing the proposed amendment for review in the 2018-19 cycle of proposed comprehensive plan amendments.

On July 9, 2018, the City Council agreed with the Planning Commission’s recommendation and docketed the proposed comprehensive plan amendments for review.

On October 18, 2018, the Planning Commission held a public hearing to consider the merits of the proposed amendment.

The following documents were provided to the Planning Commission by staff and are included here as part of the record:

Exhibit A: Map of current MHPs in Bellingham
Exhibit B: Draft Findings, Conclusions and Recommendations
Exhibit C: MHP status report & policy option matrix from David Nemens
Exhibit D: SEPA Determination
Exhibit E: Written comments
Exhibit F: Minutes from the October 18, 2018 public hearing

3. Background Information

There are currently about 900 manufactured homes in 10 MHPs in the city (see map, Exhibit A). All but one of the MHPs are currently zoned for residential development. The following table shows current zoning, unit count and potential redevelopment capacity.
### Manufactured Home Park Current Zoning and Redevelopment Potential

<table>
<thead>
<tr>
<th>Manufactured Home Park</th>
<th>Acres</th>
<th>Current Zoning</th>
<th>Existing Units</th>
<th>Potential Units¹</th>
<th>Net Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samish Court</td>
<td>3.0</td>
<td>CT2 (2 ac.) and RT2 (1 ac)²</td>
<td>25</td>
<td>108 to 249</td>
<td>83 to 224</td>
</tr>
<tr>
<td>Cresthaven</td>
<td>3.2</td>
<td>RS 20,000/unit</td>
<td>34</td>
<td>7</td>
<td>(27)</td>
</tr>
<tr>
<td>South End</td>
<td>10.0</td>
<td>RS 7,500/unit</td>
<td>84</td>
<td>58</td>
<td>(26)</td>
</tr>
<tr>
<td>Lakeway ME</td>
<td>25.7</td>
<td>RM Planned</td>
<td>218</td>
<td>n/a³</td>
<td>n/a³</td>
</tr>
<tr>
<td>Robin Lane</td>
<td>8.0</td>
<td>RS 7,200/unit</td>
<td>53</td>
<td>48</td>
<td>(5)</td>
</tr>
<tr>
<td>Mill Wheel</td>
<td>25.7</td>
<td>RM Planned</td>
<td>134</td>
<td>n/a³</td>
<td>n/a³</td>
</tr>
<tr>
<td>Maplewood</td>
<td>0.7</td>
<td>RM Planned 2,500/unit</td>
<td>9</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Bakerview ME</td>
<td>18.7</td>
<td>RS 6,000/unit</td>
<td>140</td>
<td>135</td>
<td>(5)</td>
</tr>
<tr>
<td>Parkway</td>
<td>15.9</td>
<td>RM Planned 4,000/unit</td>
<td>103</td>
<td>173</td>
<td>70</td>
</tr>
<tr>
<td>James St.</td>
<td>18.4</td>
<td>RS 7,200/unit</td>
<td>94</td>
<td>111</td>
<td>17</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>129.3</strong></td>
<td></td>
<td><strong>894</strong></td>
<td><strong>640 - 781</strong></td>
<td><strong>170 - 311</strong></td>
</tr>
</tbody>
</table>

Notes: 1. Redevelopment potential estimated using current zoning.
2. The Samish Court MHP is located in the Samish Way Urban Village. Zoning for the property is split between Commercial Transition (2 acres) and Residential Transition (1 acre).
3. No density is specified in the zoning code for Lakeway Mobile Estates and Mill Wheel Village properties, so no redevelopment estimates are provided. The actual number of dwelling units that could be developed on these properties would be determined in the Planned Development review process.

4. Public Comment

Notice of the Planning Commission public hearing was mailed to owners of the 10 MHPs in the city. Staff maintains a contact list for each of the MHPs. Those contacts were called and notices were sent to the park contacts. Staff met with the Mayor’s Neighborhood Advisory Commission on September 19th to inform them of the proposed amendment. Neighborhood representatives and recognized neighborhood associations received notice of the hearing. A public hearing notice was also published in the Bellingham Herald 30 days prior to the Commission’s hearing.

Two comment letters were presented to the Planning Commission (see Exhibit E) and four people spoke at the public hearing (see Exhibit F, Planning Commission meeting minutes).

5. State Environmental Policy Act (SEPA) Determination

The SEPA responsible official has determined that the proposed amendment to the comprehensive plan will not result in adverse impacts to the environment. As a result of this finding, a non-project Determination of Non-Significance (DNS) was issued on October 4, 2018. Notice was published in the Bellingham Herald and on the City’s website. The DNS is attached as Exhibit D.
6. Consistency with the Comprehensive Plan Amendment Review Criteria

The following five criteria were considered by the Planning Commission in reviewing the proposed comprehensive plan amendment as required in BMC 20.20.040.

**Comprehensive Plan Amendment (CPA) Review Criteria**

**CPA Review Criteria 1.** The proposed amendment is consistent with the Growth Management Act and other applicable laws.

**Analysis:** The proposed amendment is consistent with the housing goal of the State Growth Management Act:

*RCW 36.70A.020(4) Housing. Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.*

The proposed goal and policy language would encourage the preservation of the housing currently in the MHPs. Preservation is one way to address a serious issue in our community – the preservation of existing affordable housing.

The Planning Commission finds this criterion has been met.

**CPA Review Criteria 2.** The proposed amendment addresses changing circumstances, changing community values, and is consistent with and will help achieve the comprehensive plan goals and policies.

**Analysis:** Circumstances continue to change in the housing market. Land prices, the cost of housing and interest rates continue to rise. The number of residents who have difficulty finding affordable housing or who spend a higher percentage of their total income on housing has increased in recent years. The need to maintain existing affordable housing is well established as waiting lists for those seeking low-income housing continues to grow. The proposed comprehensive plan goal and policy language will establish the policy basis for the review of potential measures that the City, either alone or with partners, could take to preserve the housing in the existing manufactured home parks.

A number of specific 2016 comprehensive plan goals and policies are directly addressed by, or are related to, the proposed amendment to the comprehensive plan:

- **Goal H-1:** Ensure that Bellingham has a sufficient quantity and variety of housing types...
- **Goal H-2:** Foster housing that is safe, healthy, livable and affordable for all income levels in all neighborhoods.
- **Goal H-4:** Support housing options for special needs populations.
- **Policy H-12:** Continue permitting manufactured homes in residential zones in accordance with state and federal laws.
- **Policy H-13:** Consider the impacts on citywide housing capacity, affordability and diversity when making land use policy decisions and code amendments.
• Policy H-15: Support fair and equal access to housing for all persons, regardless of race, religion, ethnic origin, age, household composition or size, disability, marital status, sexual orientation or economic circumstances.

• Policy H-34: Encourage the rehabilitation, relocation and reuse, rather than demolition, of existing housing.

• Policy H-35: Continue...programs that support the maintenance of older/historic housing and assistance to lower income households....

• Policy H-46: Work with agencies, developers, nonprofits to locate housing to serve special needs populations, particularly those with challenges related to age....

The Planning Commission finds that the proposed amendment is consistent with, and complimentary to, the goals and policies of the City's comprehensive plan. The plan identifies housing affordability as one of the most serious issues facing this community.

In addition to comprehensive plan goals and policies, the Planning Commission finds that the proposal is consistent with the City Council's Legacies and Strategic Commitments calling on the City to encourage and support the provision of safe, affordable housing.

The Planning Commission finds that review criterion #2 is met by the proposal.

**CPA Review Criteria 3.** The proposed amendment will result in long-term benefit to the community and is in the community's overall best interests.

**Analysis:** As indicated, there is a significant shortage of affordable housing in this community. The approximately 900 manufactured homes in the ten MHPs provide some of the most affordable housing in the area. Therefore, it is appropriate to consider the range of strategies that might allow the City, either alone or in partnership with others, to safeguard this form of housing. As land values, interest rates and housing prices continue to rise, retaining existing affordable housing becomes even more critical.

The Planning Commission finds this criterion has been met.

**CPA Review Criteria 4.** The amendment will not adversely affect the public health, safety or general welfare.

**Analysis:** No evidence was presented that would suggest that taking initial steps to encourage the preservation of some, or all of the manufactured housing in the 10 parks in Bellingham will adversely affect the public health, safety or welfare.

The Planning Commission finds this criterion has been met.

**CPA Review Criteria 5.** If a concurrent rezone is requested, the proposal must also meet the criteria for rezones in BMC 20.19.030.

**Analysis:** No changes in zoning are currently proposed with this comprehensive plan amendment. Future zoning changes would require a separate Type VI public review process and separate environmental review. Planning Commission and City Council review and approval is required to change zoning.
II. CONCLUSIONS

Based on the staff report and the information presented and discussed at the public hearing, the Planning Commission concludes:

1. As revised, the proposed amendment satisfies the BMC review criteria for comprehensive plan amendments.
2. The proposed amendment is consistent with the State Growth Management Act Housing Goal.
3. The proposed amendment is consistent with the City Council’s Legacies and Strategic Commitments.
4. As land values, home prices and interest rates continue to rise, housing becomes less and less affordable in Bellingham. Manufactured home parks provide some of the most affordable ownership opportunities available today. The proposed goal and policy language is the first step in a process to investigate the options available to municipalities to encourage the preservation of this affordable housing form.

III. RECOMMENDATION

Based on these findings and conclusions and the information presented at the public hearing, the Planning Commission (by a vote of 7-0) recommends that the City Council approve the following revised amendment to the Housing chapter of the 2016 Bellingham Comprehensive Plan. The revisions to the goal and policy language recommended by the Commission are shown below in legislative format.

There are ten manufactured home parks in Bellingham with a total of about 900 spaces. The parks are located in a number of different neighborhoods. All have residential comprehensive plan and zoning designations except Samish Court, located in the Samish Way urban village. These parks, and the units they contain, are some of the most affordable housing in the city. Therefore, it is appropriate to try to preserve some or all of them.

Goal H - Existing manufactured home parks (MHPs) should be preserved when appropriate whenever possible.

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These methods could include, but are not limited to:

- Partnering with MHP residents, non-profit agencies and/or the private sector to acquire manufactured home parks.
- Zoning provisions limiting future uses and/or residential density increases on existing manufactured home parks sites.
- Requiring inclusionary affordable housing in any future redevelopment of a currently established MHP site.
- Facilitating the creation of new manufactured home parks.
This recommendation differs from the staff proposal in two ways. First, the goal was revised to say that the existing MHPs should be preserved “when appropriate” rather than “whenever possible” as suggested by staff. The Commission felt that the original language might be interpreted as requiring that all MHPs be preserved under any circumstances. That might not be the case as individual circumstances may differ among the ten MHPs. Inserting “when appropriate” is consistent with the language in the proposed policy statement.

The second change is to the policy. It originally included four examples of methods that could potentially be used to address the stated goal to encourage preservation of the existing MHPs. The Commission was uncomfortable including these examples in the policy. Several commissioners stated that the goal and policy language by itself identifies what we want to accomplish. But there was not enough information at this stage to determine the potential implications of the options and there may be other methods to achieve the goal. Including the four examples in the policy is not recommended at this time.

ADOPTED this ________________ day of ___________________________, 2018.

______________________________
Planning Commission Chairperson

ATTEST: ________________________________
Recording Secretary

APPROVED AS TO FORM:

_____________________________________
Assistant City Attorney