

**Evaluation of Local Implementation of the
Washington State Growth Management Act**

For the National Association of Realtors

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Introduction

The State of Washington enacted a Growth Management Act (GMA) in 1990 that called for local governments to prepare comprehensive plans and development regulations consistent with 13 goals set forth in the act. The law was later amended several times to broaden and strengthen its application to most cities and counties in the state. The implementation of the statute's provisions has been influenced by administrative actions of the Washington State Department of Community Trade and Economic Development and by decisions of the three hearings boards appointed to consider appeals. After 14 years, the GMA and its implementation program constitutes a detailed and complexly interrelated array of requirements for local planning and regulation of community development. Not surprisingly, the variety of approaches adopted by individual cities and counties to meet the requirements has generated a broad range of concerns and issues among public officials, the development community, and the general citizenry.

The Growth Management Act was enacted at the beginning of the 1990s, a decade that saw the state gain over a million new residents -- its largest population increase ever. Washington's population was the seventh fastest growing of all the states during that period. Of the state's 29 counties fully planning under the GMA, 21 were in the highest quarter of the fastest growing counties in the United States. In addition, employment growth in the 1990s decade added 574,300 jobs to the state's economy. Projections for coming decades indicate a strong likelihood for similar, and perhaps greater, growth trends. The GMA arrived on the scene at a propitious time of unprecedented expansion.

1. The Purpose of This Study: It is not surprising, then, that the Washington State Association of REALTORS requested the National Association of REALTORS (NAR) to

commission an evaluation of how local governments in Washington have succeeded in implementing the GMA: how well local governments are achieving the goals of the GMA through plans, regulations, infrastructure provision, and the development permitting process; whether communities are achieving their growth targets and how they measure success; and whether accommodation of housing demands is being impeded by community opposition or other factors that may reduce the supply of developable land or increase housing prices. The evaluation is intended to conclude with suggested changes to improve implementation performance, especially in accommodating growth and preserving or encouraging housing affordability.

This evaluation is based on analyses of existing research studies, information derived from three detailed studies of local programs, and interviews with state and local public officials, Realtors, and others familiar with the GMA process and with local governments' responses to its requirements.

2. Key Features of the Washington State Growth Management Act: The State of Washington adopted the Growth Management Act in 1990, not without significant difficulty. There was the long-standing reluctance of Washingtonians to lock-step behind Oregon into the state growth management business. Then developers, local government officials, environmental activists, and other special interest groups argued for years over the particulars of a bill. Once adopted, the act was viewed almost as a stop-gap measure, since it was applicable to only 12 urban and urbanizing counties plus three additional counties that could opt out of the program. But it was quickly challenged by a ballot measure supported by environmental groups that would have required all local governments to make land use decisions in line with 60-some goals, many mutually inconsistent. The proposal also allowed challengers of local decisions to be reimbursed for appeals costs and attorney's fees. After a bitter campaign, the measure did not achieve the required votes.

A subsequent amendment to the initial act brought in three urbanizing counties in the eastern part of the state and any others that elected to abide by the GMA's requirements. Today, 29 counties and the 281 cities within them – containing about 95 percent of the state's population – are responsible for complying with the requirements of the act.

The act requires local governments to:

- Agree on county-wide planning policies that provide a framework for county and city comprehensive plans;
- Designate critical areas, agricultural lands, forest lands, and mineral resource lands and adopt regulations protecting these lands;
- Plan for urban growth by designating urban growth areas (UGAs) to be adopted by each county after consultation with individual municipalities;
- Adopt comprehensive plans that address land use, transportation, capital facilities, utilities, housing, shorelines, and (for counties) rural land use and development;
- Adopt development regulations that carry out comprehensive plans.

The county-wide planning policies are intended to translate the 14 broad goals of the state act (the original 13 plus a shoreline protection goal added later) into guidelines for city and county planning and regulatory actions. The state goals address the following subjects:

1. Urban growth
2. Reduction of sprawl
3. Transportation
4. Housing
5. Economic development
6. Property rights
7. Permits
8. Natural resource industries
9. Open space and recreation
10. Environment
11. Citizen participation and coordination
12. Public facilities and services
13. Historic preservation.
14. Shoreline protection

One of the GMA's key provisions requires counties and cities to designate urban growth areas. Such areas must be served or serviceable by public facilities and services and provide adequate land to support expected development for 20 years. In addition, to prohibit urban development outside urban growth areas, cities and counties must adopt development regulations to assure the conservation of agricultural, forest, and mineral resource lands and critical areas such as wetlands, wildlife habitats, and floodplains.

Comprehensive plans can be amended only once a year and are required to be evaluated and updated for conformance with GMA goals at least every seven years, according to a phased county-by-county schedule. (The three counties and their cities whose programs were evaluated for this study were due to submit updated plans by December 1, 2004.) In addition, counties and cities must review designations and densities of urban growth areas every ten years.

Local governments are required to submit comprehensive plans and development regulations to the state agency given responsibility for reviewing them prior to final adoption by the local government. The state agency, currently the Department of Community, Trade and Economic Development (CTED), may provide comments to local governments concerning the consistency of plans or regulations with state growth management goals and requirements. Agency comments are advisory, but issues raised by plans and regulations may be addressed by petition to one of three growth planning hearings boards. A board hears and makes findings as to the compliance of a state agency, county, or city with the act's requirements for plans and regulations or the need for adjustment of the 20-year population projections provided by the Office of Financial Management for individual jurisdictions. Petitions have been relatively common and often result in requirements for changes in plans and regulations.

In 1995 the state legislature enacted additional laws to address relationships between state environmental laws and growth management requirements, with the principal objective of reducing the time required for issuing local development permits. The statutes now allow cities and counties to carry out environmental evaluations as part of the preparation or updating of comprehensive plans, sub-area plans, and/or development regulations, and thereby determine that adopted plans and regulations adequately address environmental impacts for proposed projects. In addition, a 1997 GMA amendment required the six most populous urban counties – all except Clark County are clustered around Seattle -- and the cities within them to evaluate and coordinate provision of an adequate supply of buildable land to accommodate growth for a 20-year period. The evaluation is to include consideration of the actual and planned amounts and densities of development within UGAs sufficient to meet state growth projections.

Three Case Studies

Three case studies were conducted to study in detail how selected local jurisdictions are implementing the GMA. References for the cited publications are incorporated in the Reference section at the end of the report.

1. Pierce County

The County: The southern end of the Seattle metropolitan area is anchored by Pierce County and its principal city, Tacoma. Encompassing 1,803 square miles, the County extends from the lowlands of Puget Sound on the west to Mount Rainier, the highest mountain in Washington State, on the east. With 744,000 residents in 2004, it is the second most populated county in Washington. Much of the eastern part of the county is forested, either in federal ownership or as privately held timberlands. Agriculture is also important: Pierce County raises about half of the nation's rhubarb and produces significant amounts of lettuce, cabbage, radishes, and green onions, as well as tulips and daffodils.

According to a 1996 economic study, the major contributors to the county's economic base are the three military installations – the largest single component of the economic base --, business services, retail trade for local households, and manufacturing, including goods-producing industries and production related to forestry, fishing, agriculture, and food processing. In-county employment numbered 314,158 in 2000. About 30 percent of resident workers are employed outside the County and about 12 percent of in-county jobs are filled by residents of other counties. However, based on data from the U.S. Bureau of Economic Analysis, personal income adjusted for inflation of Pierce County residents has grown more slowly each of the last three decades; the county ranked 18th in income growth in the state during the 1990s. County residents' per capita income in 2000 was 18 percent below the state average and the gap between their per capita income and the national average has been increasing for three decades.

Incorporated municipalities account for about 148 square miles or almost eight percent of County land. The western third of the County along Puget Sound includes several islands, the Gig Harbor Peninsula, and part of the Kitsap Peninsula, all growing areas. Tacoma, the county seat, with 196,800 residents, is bordered on its eastern and southern sides by suburban development. Together with the Puget Sound islands and peninsula, the county has 23 smaller cities and towns. Many of them continue to annex territory and new municipal incorporations have occurred from time to time. Yet the 1997 Comprehensive Plan observed that 45 percent of County residents lived in unincorporated areas at that time and the largest part of population growth was occurring outside cities and towns. The latest figures supplied by the Office of Financial Management (OFM) for 2004 show that the population in unincorporated areas, including those in unincorporated parts of UGAs, now accounts for 46 percent of the County population.

Projected Growth: In 1997, in response to the incorporation of three new cities and the availability of new OFM projections of population growth, Pierce County updated its population projections and allocations among the 23 local jurisdictions and UGAs. It used a 20-year projection period of 1997-2017. The County chose OFM's medium-range projection, which foresaw a total population of 914,240 by 2017, divided into an urban population of 720,040 and a rural population of 194,200. The urban allocation was later revised upward to 729,474, including one municipality previously omitted and adjusting numbers for two others, raising the projected total County population for 2017 to 923,674.

The County's adopted 2022 forecast based on OFM projections provided in 2002 anticipates a population of 912,700, lower than the 2017 projection adopted in 1997. OFM's 2022 projection ranged from 813,466 to 1,027,718 (a 25 percent spread), with an intermediate projection of 912,711. The County chose the intermediate figure as most likely, given the slower growth rate that had occurred since the earlier forecast. Working with the municipalities, the County allocated the 2022 future population among the cities and their UGAs (shown in Table 19.20.6 in the August 3, 2004 Staff Report and DSEIS) as follows: 522,920 within municipalities; 230,380 within unincorporated parts of UGAs, and 159,400 in rural areas.

Expectations were that some land-locked jurisdictions would grow little or not at all, while others would experience development within their present boundaries, and some – Auburn, Bonney Lake, Gig Harbor, Puyallup, and Sumner among them -- forecasted substantial increases in city and UGA populations. County employment projections were estimated in 2000, forecasting a “target” of 326,546 jobs for the County, of which 48,305 were anticipated to be located in unincorporated urban areas (excluding the three military installations).

Growth Plans and Policies: Immediately upon passage of the Growth Management Act in 1990, Pierce County officials began preparation of the comprehensive plan required by the Act. County-wide planning policies were adopted in June, 1992. They included policy statements on affordable housing, agricultural lands, economic development, education, fiscal impact, historic and cultural preservation, natural resources, siting of public capital

facilities, transportation systems, urban growth areas, and policies to guide amendments and a transition to adopted plans. Draft *Framework Plan Policies* and draft *Comprehensive Plan Policies* were distributed for public review in late 1992. After review and comment by the state CTED, the County comprehensive plan and urban growth area designations were adopted in November, 1994. Since then, the County has updated its plan every two to three years through a series of amendments. For example, the comprehensive plan update in 2003 considered, besides various technical corrections, ten map amendments to change zoning of certain properties, 15 UGA amendments to modify (mostly expand) UGA boundaries, and 18 text amendments to revise and/or update policy statements.

The 2004 plan update required by the GMA generated a more sweeping revision of the whole document. Compared with previous plan revision processes, elected officials have vigorously analyzed proposed amendments and pursued workable solutions as issues arose. The plan revision responds to past hearings board decisions on policy issues and includes a thorough comparison of county policies for consistency to state goals. In particular, changes in the 2004 plan tighten up densities in urban areas and cut them back in many rural and agricultural areas. The present plan proposes to achieve better use of developable sites in UGAs by upzoning to almost double the allowable densities of development of unincorporated land in UGAs. For example, based on a decision of the hearings board, the County raised the minimum density allowed in the Moderate Density Single Family land use designation from two residential units per acre to four per acre. Also the County adopted a small-lot development ordinance that allows up to 12 units per acre of detached single-family housing. Initially incorporated in a planned unit development process, it was made an as-of-right zoning category this year.

In the countryside outside urban or urbanizing areas, zoning protects forestry in much of the eastern half of the county. But agricultural zoning had consisted of scattered small areas and parcels, while most open land around them was zoned for 10-acre minimum lots. The Buildout Analysis, Table 15, shows that a considerable amount of development has taken place in the Rural 10 and, to a lesser extent, Rural 5 zones. From 1995 through 2000, 3,704 lots were created in the Rural 10 area. To address what some viewed as low-density suburban sprawl that threatened to convert agricultural land, the County combined eight rural land use designations covering almost 35,000 acres to two designations. The new designations allow a base density of one unit per five acres, half the density allowed in several of the former designations. In addition, the County significantly expanded the designated agricultural lands to a total of 31,000 acres based on analyses of soils and potential crop yields that determined lands suitable for agriculture. The proposed changes stirred much debate but most endured in the new plan.

As part of the plan update, Pierce County designated a Comprehensive Urban Growth Area (CUGA) which is intended to set the limits for any further urban sprawl and encourage infill development. The CUGA will function as a coordinating mechanism for extending urban services, and to that end the 13 cities and towns within the CUGA have established urban service areas. Six cities and towns not encompassed within the CUGA

have designated UGAs based on their ability to provide urban services within the areas. UGAs for four other towns are confined to the jurisdictions' existing boundaries.

Current Issues: In addition to controversy over density reductions in rural areas, three concerns about Pierce County's implementation of the GMA goals have drawn special attention: the supply of land to accommodate growth, the extent to which planned development densities are being achieved, and the relation between land supply and housing affordability.

a. Accommodation of Growth: The County's power to restrict UGA expansions is considered one means to stimulate higher-density development in keeping with GMA goals. As one of the six counties required by the GMA to undertake a buildout analysis of land supply for future growth, Pierce County officials concluded that UGAs designated in its comprehensive plan contain the necessary land needed to accommodate the planned growth. The County noted that some jurisdictions have less capacity than necessary to meet projected needs and other jurisdictions have more than enough capacity. Pierce County's land supply analysis measured land needs for the 20-year period 1997 to 2017. The study determined that land for 101,951 housing units would be required by 2017, and the supply of land available within designated UGAs would permit construction of 140,303 units, about 37 percent more than projected needs. Says Advance Planning Manager Chip Vincent: "The study was well worth doing. While we were fairly certain that the UGAs had enough land to accommodate future growth, we had no collective sense of what the plans of 23 jurisdictions added up to. Now we do, because this 'truth-testing' study demonstrated that UGAs contained more than enough land for growth."

The study findings prompted CTED to comment (in an October 23, 2003, letter) that County's 2003 UGA amendments that expanded the supply of land in UGAs should be scaled back. Vincent agrees that the initial UGAs probably were over-sized, a consequence, he says, of 23 separate jurisdictions making individual decisions about growth boundaries. But Vincent explains that local geographic, ownership, and other conditions play into the results. He cites the issues raised by Bonney Lakes' proposed UGA expansion as an example. The jurisdiction's original UGA was drawn along very conservative lines as a result of political considerations at the time. Although there is enough land to accommodate future growth, about half of it is controlled by less than a dozen property owners who thus have achieved a near-monopoly position over development in the Bonney Lakes' area. REALTOR Mike Flynn says the Buildable Lands Study is faulty on this point. "How can the study say how much land is suitable for housing," he says, "if it doesn't account for economic forces that keep land off the market? The study simply doesn't look at land availability in terms of market forces [i.e., willingness to sell] that influence the cost of housing."

Several of the property owners in question are developing large-scale projects planned to be built in phases over several years. It is to be expected that the owners will phase construction to match the scale and nature of market opportunities, including the option – exercised in the context of a competitive market -- of postponing some development to take advantage of rising prices. Such large-scale, phased development processes in many

metropolitan areas frequently provide superior design and amenities as a trade-off for greater control over the market. In this situation, they do control a sizeable amount of designated developable land and, subject to the usual competitive market forces, may choose to bring land into development over time.

Taking these conditions into account, it appears that the County will continue to restrain expansion of Bonney Lakes' UGA as long as the city continues to allow low-density suburban development in UGA greenfields and fails to promote infill and redevelopment within the existing city limits. To further this objective, the 2004 plan proposes to re-designate 1,458 acres adjoining the Bonney Lake UGA from rural designations allowing development of large lots to a "Reserve" category that would require clustered development with significant set-asides of undeveloped areas.

b. Densities planned and achieved: Expected development density is an important factor in determining urban land needs. According to the CTED evaluation of the Buildable Lands Program in 2003, Pierce County boosted average residential densities (based on approved plats) from a 1.6 gross and 1.9 net density in 1995 to 3.9 gross and 5.2 net density in 2000. (Four or more units per net acre is considered an "urban" density.)

However, as part of the Buildable Lands study, ECONorthwest evaluated the consistency between planned and actual densities achieved from 1995 to 2000 in the UGAs of the County's 23 jurisdictions. The study found that only four small jurisdictions met the consistency target, and two of them had no or relatively little residential land. Two other small communities met targeted densities that were set somewhat lower than four units per acre. Eleven jurisdictions including Tacoma and several other relatively large cities showed mixed results – some lacking minimum density standards but with planned projects that meet or exceed density standards, some with little developable land left in the city and UGA, and some that opposed the allocated targets. Tacoma asserted that the density targets it submitted wrongly used the upper limit allowed in the various zones, which it now considers not practically achievable. The remaining six jurisdictions had insufficient development or data on which to base an evaluation. The evaluation report recommended reasonable measures that jurisdictions could employ to rectify density inconsistencies. ECONorthwest's report commented that local jurisdictions are still in an early stage of setting and meeting realistic density targets. (For more information on this issue, see *Pierce County Buildable Lands Program Consistency Evaluation*, April, 2004).

c. Affordable Housing: The GMA calls for county plans to provide for housing affordable to all economic segments of the community. Pierce County's county-wide planning policies identify six classes of housing, including single- and multi-family affordable housing. Michael Flynn notes that the County's estimate of the needed supply of land bears no relationship to the mix of housing prices that future residents will demand – that is, accounting for the range of lot and housing types that would respond to market demands as well as affordable housing needs. Although the plan focuses much attention on ways to produce affordable units it has little to say about how demands for market-rate housing can be satisfied within the limited supply of land.

Conclusion: The existence of 23 local jurisdictions in Pierce County presents a significant challenge to planning for future urban development and rural preservation. The County has established collaborative but sometimes problematical working relationships with individual jurisdictions, some of which are keen and others reluctant to grow according to the dictates of the GMA. In addition, many of the jurisdictions have a limited capacity – and sometimes a lack of interest – for community planning. Local participation in GMA-oriented planning is guided by the GMA-mandated countywide planning policies, and the County’s comprehensive plan provides an administrative framework for coordination among plans, but elected officials and their staffs must still exert continuous efforts to maintain momentum and coordination among the players. That these sometimes fail or fall short of objectives, especially as state requirements evolve, is a fact of life in governmental regulation of land use.

Examples are the issues central to this evaluation – achieving GMA goals and planning to accommodate projected growth. The County and cities are gradually moving in the direction set by the goals of focusing urban growth in and around urban areas and preserving the rural character of the countryside. But most jurisdictions started that process with plans and/or mindsets that required significant upgrading to reach the level envisioned by the GMA goals. The quality of implementation of GMA goals among the 23 jurisdictions and the results to date are distinctly varied, and continue to provide room for improvement.

Therefore, how to measure whether projected growth will be adequately accommodated is an ongoing question. The Buildable Lands study demonstrated that sufficient land is planned for urban growth to meet the 20-year projected need in the County. The determination of adequate land supply, however, is predicated upon reduced expectations for long-term population increases and determinations of likely densities of development that appear ambitious considering the results of the consistency evaluation. In Pierce County, as in other counties, certain jurisdictions attracting significant growth appear reluctant to promote higher-density development that would help provide affordable housing in either greenfields or infill locations. Also in Pierce County, capabilities for expanding infrastructure to support higher-density development may well be the deciding factor on the future form of urban growth.

2. City of Vancouver

The City: Vancouver lies at the southernmost end of the I-5 corridor in Washington, on the northern bank of the Columbia River across from Portland, Oregon. In 1990, Vancouver’s population was 46,380; today it is a city of about 151,000 population. This growth spurt occurred in large part due to the annexation of 29 square miles of substantially developed urban areas, including the annexation of Cascade Park (with 60,000 residents, the largest annexation in state history). The city boundaries now encompass 46 square miles at an overall gross density of 3,276 persons per square mile.

Vancouver is one of seven cities in Clark County, which has a total population of 370,000 within its boundaries. A little over half of County territory is devoted to forests

and agriculture; cities occupy about 50,000 acres but about 106,000 acres of unincorporated land is developed with urban uses that support a population of 179,000. Vancouver is by far the largest city, accounting for 91 percent of city-based residents. But even after Vancouver's recent annexations, about 113,000 people live in its unincorporated UGA.

Vancouver, with about 82,000 jobs, has a diversified economic base that has shifted from manufacturing to services and retail trade. It functions as part of a large economic region including Clark County and metropolitan Portland. Although Clark County's economy was strong during the 1990s, it has endured modest decline along with the rest of the Pacific Northwest as the recession of 2001 took hold. As is true with many older cities, Vancouver's population has a wider range of economic conditions than the region as a whole. Its older western areas have a higher proportion of poor households and lower median household income than Clark County and the State of Washington but these indicators mirror the average for the nation.

Projected Growth: Because the city is largely built out, the projected city population for 2023 is 177,000, just a 17 percent increase over the 20-year period. Most growth in the Vancouver area is expected to take place in undeveloped or underdeveloped areas in the five square miles of the newly enlarged Vancouver UGA. The unincorporated area of the UGA currently has a population of about 113,000 and about 26,000 jobs. The County projects a 2023 population of 182,000 in the unincorporated UGA; the 69,000 new residents living there will represent almost three-quarters of the population increase in the entire UGA. Jobs will be more evenly split between the two areas: half the increase of about 59,000 employees will be in the city, which will gain 30,000 jobs, and half in the unincorporated part of the UGA, where employment will more than double by 29,000.

The County's population is projected to increase to 518,000 by 2023 and employment is forecast at 200,000. The projected population is slightly below the medium level of 531,000 estimated by the Washington State Office of Financial Management. The total averages to approximately a 1.8 percent annual increase from 2000. The County projections are based on the assumption that 90 percent of the increased population will occur in cities and their UGAs, and only 10 percent in rural unincorporated areas. The County projections also assume that cities will absorb all current and future urbanized areas by that date, requiring sizable additions to small towns as well as Vancouver. If Vancouver annexed all the territory within its designated UGA by 2023, the city's population would reach almost 370,544, making it a rather substantial city, potentially the second largest in Washington. The combined city and UGA population would grow from about 42 percent of the County's population to about 67 percent. (By comparison, Battle Ground, now a town of 9,322 residents, would accommodate a population of 35,000 in the city and its UGA.)

City and County Growth Policies and Plans: Vancouver's growth policies are nested within and coordinated with Clark County's by GMA mandate. Clark County adopted its first comprehensive plan in 1979 – a relatively early entry into planning in Washington – and enacted countywide zoning the following year. As required by the state GMA, Clark

County began in 1991 to formulate a Community Framework Plan that would establish county-wide planning policies and the foundation for a comprehensive plan. The Framework Plan described a long-range vision of areas to be committed to urban uses and those that should remain rural or resource-oriented. County-wide planning policies called for establishment of urban growth areas for each city, primarily in areas already characterized by urban growth and availability of public services and facilities, with developable land and densities sufficient to permit urban growth over a 20-year period. The policies also established a process for interlocal cooperation between the County and the municipalities.

The Framework Plan was adopted in 1993 jointly by the County and cities. It became the basis for preparation of the County's 20-year Comprehensive Plan adopted in 1994 and revised in 1997. The Framework Plan was updated in 2000 and 2001 and continues to provide basic policy direction for city plans and the County's newest comprehensive plan adopted in 2004. The County intends the comprehensive plan to govern development in unincorporated areas and, with city collaboration, in designated urban growth areas until annexations occur.

Vancouver adopted a 20-year comprehensive plan in 1994, *Visions for the Vancouver Urban Area*, as required by the GMA and in collaboration with County planning efforts to formulate the Framework Plan and the county-wide planning policies stated therein. In 1998 the city focused attention on developing and adopting a five-year Strategic Plan – essentially a city “framework plan” encompassing a range of goals beyond land use -- to formulate a community vision for its future development and identify and prioritize commitments for achieving it. In 2000 another strategic planning process was undertaken to update and re-think the Strategic Plan. It resulted in a statement of six “strategic commitments” ranging from development of strong visionary leadership to economic health. The commitment to managed growth and natural resources focused on the successful achievement of goals stated in the GMA.

The new comprehensive plan prepared by Vancouver in 2003 covers the areas within the existing city and the UGA. It incorporates 13 community development policies, proposes to accommodate a significant amount of growth by enhancing urban centers and corridors, and includes a plan map that identifies the location of general classes of land use. Sections on economic development, housing, environment, public facilities and services, annexation, and implementation spell out policies and programs for improving these aspects of city development.

According to city staff, the new plan focuses more on updating and clarifying the 1994 policies than on a major overhaul of policy approaches. It simplifies the earlier plan, reducing 140 policies to 85, and addressing some newly emerging concerns such as endangered species. According to a “Quick Facts” report on the plan by the Long Range Planning Office, the changes to the previous plan include the following:

- Greater emphasis on job growth and less emphasis on new housing, as both the County and the city are concerned about regenerating economic growth;

- A preference for promoting growth within existing urban areas already served by infrastructure systems before expanding into new areas;
- A decision to focus growth as much as possible in urban centers and corridors;
- Additional policies to address new issues in economic development and the environment;
- Updating of capital facilities plans, including a new transportation system plan.
- A city recommendation to expand the UGA by about two square miles, mostly for economic development.

In addition, the plan designates more land for development of moderately smaller lots, higher average densities, and a wider range of housing types to enhance production of more affordable housing. The plan particularly encourages higher density multi-family residential development near activity centers such as downtown Vancouver, Vancouver Mall, and the Washington State University Campus and along transportation corridors linking these centers.

The city also adopted a 10-year “Annexation Blueprint” to establish priorities for annexations in the UGA. With adoption of the new plan it will be revisited to work out a schedule of annexations. Also, the County buildable lands study recommended that the city adopt an infill ordinance to apply within the UGA and revise PUD and mixed-use standards as well. The city had undertaken these tasks prior to publication of the study and has completed them, but believes that the changes will not cause major differences in UGA development.

Current Policy Issues: During the preparation of the latest County plan, the City and County were at odds about two issues: the projected County population on which city and county plans are based, and how much expansion of Vancouver’s UGA is appropriate. The city disagreed with the County’s proposal to raise its initial estimate of the 20-year (2023) increase in county population by 21,000 persons, to 534,000, far higher than the state projections for the most likely increase. The County ultimately reduced that projection to 518,000, with two of the three commissioners arguing that greater population growth could not be supported by urban service expansions. The County and cities, they said, cannot afford a continued “population explosion.” REALTOR Vern Vesey, once a County Commissioner, argues that the County should plan urban service expansions to serve the growth that will come rather than pretend that growth can somehow be cut back through choosing a lower projection.

Nevertheless, after a number of acrimonious discussions, the commissioners proposed to expand urban growth areas by nine square miles. Then, according to *The Columbian*, the local newspaper, the commissioners began trimming back the increase, especially in Battle Ground which, true to its name, fought the cutback, to no avail. In the end, the County reduced the proposed UGA expansions to about eight square miles, justifying the expansions as needed for population growth and even more so to accommodate desired employment growth. Again, Vesey finds this intention specious, commenting that successful escalation of employment will simply increase demands for housing in an area already faced with a shortage of developable land.

The proposed expansions, including that of Vancouver's UGA, came after the Buildable Lands Report prepared by Clark County in 2002 found that, countywide, over 5,000 acres of buildable land was provided for the estimated need of 3,351 acres for residential development by 2012. The current Vancouver UGA provided a little more than 3000 acres of buildable land for an expected need of 1,720 acres for residential purposes. As for densities of development, the City of Vancouver had achieved an average of 9.4 units per net acre during the 1995 to 2000 period but lower densities in the unincorporated UGA reduced the combined UGA density to 5.5 units per acre. Those findings suggested that plenty of land was available for development.

Of course, the amount of land needed for development could be reduced if development densities increase. The new density guidelines assumed for the land supply projection called for overall densities of 8 units per acre for Vancouver and 4 to 6 units per acre for the other cities, based on a 60/40 percent split between single-family and multi-family dwellings. However, the report finds that from 1995 to 2000 the city UGAs, with the exception of Vancouver, had met neither the single/multi-family split nor the density goals. The actual split was 72/28 percent and the county's average density for single-family home development was 4.8 units per net acre and multi-family was 15.8 units per net acre.

The lower densities apparently resulted from extensive development of single-family housing outside UGAs, where 80 percent of all single-family homes were built on some 11,899 acres. One cause was the amount of development taking place in subdivisions that were vested prior to adoption of the county's comprehensive plan. In addition, some growth occurred on unsewered large lots in rural areas. Only 20 percent of all single-family dwellings were developed in UGAs. Furthermore, the analysis found that 686 units had been developed on parcels with more than 50 percent of the area classified as critical land.

All of these trends skewed the density results away from expected goals. Instead of the target established in the 1994 plan of accommodating the projected 2012 population on 3,351 acres of UGA land, the growth and density observed from 1995 to 2000 suggested a need almost twice that amount.

Based on these findings, the Buildable Lands report proposed that the county review and revise current zoning patterns to lower required lot sizes, provide a range of densities, promote more infill development in Vancouver, and provide for greater development of multi-family units in the smaller cities and their UGAs. These recommendations are reflected to some degree in the city's 2003 comprehensive plan. And the plan proposes to focus public investment in capital improvements to provide "fully served" land in specific areas suitable for development. But the city's plan proposes a single/multi-family split of 75/25 percent, a standard closer to the actual achievement from 1995 to 2000 than to the 60/40 split incorporated in the 1994 plan.

Thus, despite the findings of the Buildable Lands Study, during the recent plan update period the County proposed to expand Vancouver's UGA boundary to encompass 7.5 square miles, including substantial areas of housing as well as economic development. Vancouver's response (by a July 29, 2004, letter) reveals the pressure points introduced by UGA expansions. Vancouver officials protested that the addition of so much land to be developed mostly for single-family housing fails to improve the city's jobs/housing ratio and creates demands for new capital spending that cannot be met. Moreover, the planned low residential densities mean that housing goals for the UGA will probably not be met.

Instead, Vancouver wished to restrain UGA expansion to highlight its intent to promote higher-density development and to avoid the additional costs of extending services that additional growth might entail. The city proposed a more modest UGA expansion that would provide capacity for a 20-year growth projection near the medium projection of the Washington State Office of Financial Management. The city claimed that county assumptions significantly underestimated existing land use capacity (through lower density assumptions than the city's) and overestimated future land use needs. For example, the city's new plan projects average densities of residential development to rise from six to eight units per net acre. Currently half the housing units in the city are multi-family. Furthermore, the city asserts that over half of site development proposals submitted by land owners during 2003 were for properties assumed by the County to be undevelopable for 20 years – clearly, a mistaken assumption that would cut needs for expansion of the UGA.

Rather than designate large amounts of new land for development that may or may not occur, the city suggested that future updates of UGA boundaries and planned densities, which are required every ten years and allowed more often as necessary, could respond to unforeseen needs and revised forecasts.

Vern Vesey, however, claims that neither the city nor the county has a system in place to track housing demand and supply on a regular basis. He believes that both jurisdictions should take more deliberate action to monitor land supplies for housing to be able to respond to ongoing market demands. Vesey also believes that the city and county are inadequately preparing for infrastructure expansions required to support growth.

A July 13, 2004 letter from Vancouver's manager of long-range planning points out that serving existing development remains a major challenge for the city, a challenge that will be increased if large, predominantly residential UGA expansions are approved. Key regional issues for Vancouver raised by the proposed expansions, she writes, include:

- Projected major increases in countywide traffic congestion, significantly higher than previous estimates;
- Increases in costs of maintaining new infrastructure required to serve new development;
- Unlikely voter approval of funding increases that will be needed to support expanded costs of countywide capital facilities;

- Projected costs for improving state highways, which are not included in local plans; based on the County's proposed land use plans, vehicle delays on interstate facilities and on-ramps are estimated at 8.5 times the delays experienced in 2000.

The final Vancouver UGA expansion incorporated in the County plan was four square miles, making a total of 53 square miles in the UGA area outside existing city limits, an area that according to Vancouver density assumptions can accommodate an added population of 95,000 by 2023, a 63 percent increase from the current population.

Another controversial aspect of the County's proposals was to create two "urban holding zones" in Vancouver's UGA in addition to urban reserve areas already designated. The holding zones are designated through an overlay zone that makes them unavailable for urban development. Local members of the real estate community protested the imposition of the holding zones as putting the property in limbo and unnecessarily reducing the amount of land available for development. The city requested but did not receive county agreement for consultation with Vancouver in the origination and future activation of the holding zones.

Conclusions: The City of Vancouver, having absorbed a major annexation in 1997, is hoping to accommodate a significant amount of its projected growth within the present city limits through infill and redevelopment, especially for economic and residential development in designated activity centers. Not only will this policy strengthen and stabilize neighborhoods and related activity centers but will also reduce the financial burden of extending urban services to outlying areas. Yet the extensive development already existing and in progress in the UGA and small cities north of the city limits raises concerns about serving those areas with urban facilities. The city's plan asserts that Vancouver supports annexation to provide a full range of urban services. Its 10-year annexation blueprint identifies priorities and a phasing plan. The plan ticks off a long list of improvements needed and planned, not least \$212 million in transportation improvements in the next five years plus, by 2023, \$91 million in sewer improvements and school expansions to serve 14,000 more students.

The city's prime concern about growth is paying for such service expansions. How service needs will be supplied as growth occurs in the UGA is not readily apparent. The county continues to add to the city's urban growth area even as significant portions remain undeveloped or underdeveloped. Not only does this raise questions about the cost of extending services but it tends to undermine the city's plans to promote infill and redevelopment. Vesey believes that the region's local governments have not faced up to demands for expanding urban services, which ultimately could throttle the development process. Furthermore, the city believes that expected county support and collaboration in implementing annexation within the UGA has not transpired as hoped.

Closer collaboration between the city and county to support implementation of UGA development is an apparent and significant need. Effective collaboration would include tighter reins on low-density development taking place in rural areas and small-city UGAs. The County's insistence on expanding some UGAs while falling short of density

targets within them appears to override GMA rules and certainly raises issues about Vancouver's future growth strategy within the region. Will Vancouver achieve the higher densities of residential development it seeks? Can the city continue to attract infill and redevelopment if small cities are allowed to spread low-density development into greenfields? How can the County coordinate infrastructure spending among the jurisdictions to achieve cost-effective investment? Will County expansion of UGAs to accommodate increased job growth be fulfilled in the form of actual development? These and other questions begin to form the agenda for the next round of county and city planning for growth. Meanwhile, the recent elections that replaced the two county commissioners voting for smaller UGAs suggest that these problems will not be addressed in the near future.

3. Whatcom County

The County: Whatcom County lies at the extreme northwest corner of the State of Washington, adjoining the Georgia Strait portion of the Pacific Ocean shoreline and the international border with Canada. Compared to several other counties centered around Seattle along the I-5 corridor, Whatcom County is relatively rural. It has an industrial base focused mostly around several small ports, and attracts a fair number of tourists, but much of the county is devoted to agriculture and forestry. About half of the nation's raspberry production occurs in the County and it has a significant dairy industry. About 80 percent of the County's area is forested, and about 80 percent of this land is under federal management by the Forest Service or the U.S. Interior Department. Large parts of the Mount Baker National Forest and the North Cascades National Park occupy about two-thirds of the County's land area. Commercial timbering remains an important industry in the County. Of the 470,000 acres of non-federal land in unincorporated Whatcom County, about one-third is cultivated and two-thirds forested.

Urban development occupies a small percentage of County land. Still, Whatcom County's population has been increasing at a rate of almost 3 percent per year since 1990, from 127,780 residents in 1990 to 166,814 in 2002. Most of the population increase during this period was due to in-migration of people seeking jobs and lifestyles available in the county. The population increase has tapered off since 2001 as economic growth has stalled.

Most residents live in the western third of the county. About 55 percent of the population, 92,500 residents, lives in incorporated cities and another 14,000 people live near cities in unincorporated urban growth areas. About 36 percent of the County's residents live in rural areas in the unincorporated part of the county.

Bellingham is the largest city. Its population of about 52,000 in 1990 has increased to about 67,000 in 2002. Bellingham's economy is bolstered by growth in high-tech industries and the presence of Western Washington University, as well as port-oriented heavy industries. Six considerably smaller towns are located in the agricultural area and along the shoreline.

Projected Growth: Official projections from the State Office of Financial Management indicate that Whatcom County will increase its population from 172,000 in 2002 to a range estimated as between 216,000 to 261,000 by 2022, with a medium figure of 232,000. The consultant retained by the City of Bellingham projected that the county population would increase to a range between 206,000 and 281,000. After due consideration, County officials selected 235,000 as the most likely population in 2022, given recent growth trends and the growing popularity of the County's living environment. The projected population is close to the mid-point of both forecasts. The expected distribution of County-wide growth, based on individual city plans and projections, indicates adding about 35,000 people in Bellingham and its UGA, about 21,000 in the six other cities and their UGAs, and about 12,000 in unincorporated areas.

County Growth Management Policies and Plans: The Washington State Growth Management Act (GMA), adopted in 1990 and amended in 1991, incorporates 14 goals that direct counties and cities to encourage development in urban areas where public facilities and services can be efficiently provided; discourage sprawling, low-density development; conserve timber and agricultural lands, and protect critical areas. County-wide planning policies are required to implement these goals and establish a policy framework for local comprehensive plans. Counties are expected to work with municipalities to achieve adoption of city and county plans consistent with each other and with state goals.

Whatcom County adopted county-wide planning policies in 1993 and revised them in 1997, both times with concurrence by the seven incorporated municipalities. The county comprehensive plan established a number of growth areas in unincorporated sections of the county and county staff worked with the municipalities to delineate urban growth areas. In the case of Bellingham, Whatcom County and the city formulated an "Urban Fringe Subarea Plan" in 1984 that was applicable to about 20,000 acres around the north, west, and east sides of Bellingham's city limits. The plan was updated by the city and county beginning in 1990, assisted in determining the city's urban growth area, and was adopted by the County Council in 1997. In addition, the city and county published policy statements indicating that they intend to guide physical development to areas adjacent to city limits where public facilities and services can be made available most efficiently. A policy also expresses the goal of encouraging "a smooth transition from County jurisdiction to City jurisdiction as both developed and undeveloped areas within the urban growth area are annexed to the city."

Now, as part of the state-required ten-year plan update process, the city and county are coordinating preparation of updated city and county policy documents and implementing regulations, including revisions of city and county comprehensive plans, the Bellingham urban growth area plan, and an updated urban fringe subarea plan. The city and county believe that such a process, together with an interlocal agreement, will provide certainty to residents, property owners, and developers about development policies and provide for consistent development standards and a single permitting agency.

The county-wide policies, in accordance with stated purposes of the state GMA, envisioned that designation of Urban Growth Areas around each city would play a key role in managing the location and character of future development. In Whatcom County, growth boundaries were determined after each city provided information in comprehensive plans, staff work sessions, and public hearings as guides to city-county decisions. As individual cities formalized designations of UGAs, the 1997 county plan and zoning incorporated these decisions. The proposed 2004 plan and zoning, with some adjustments, carry forward the basic land use policies and UGA delineations set forth in the earlier plan.

The 2004 county zoning and comprehensive plan designated the location of:

- urban growth areas around each city,
- a major port industrial area at Cherry Point on the coast,
- about three dozen unincorporated small towns, commercial crossroads, resort/recreation subdivisions, transportation corridors, and suburban enclaves, generally allowing further development of one- and two-acre lots in and around them,
- rural districts generally zoned for residential lots of at least five acres and sometimes ten acres,
- agricultural and forestry lands with a minimum lot size of 40 acres,
- mineral resource lands and public recreation sites.

a. *Urban growth areas:* Cities established growth areas that consider projected growth and available land supply, capabilities for providing urban services, expected densities, constraints imposed by natural systems and critical areas, and ownership and development trends. In accordance with GMA policies, UGAs are to provide sufficient land contiguous to existing urbanized areas to accommodate the 20-year urban growth projection plus a “market factor” of additional land. Annexation of land within the UGA is to be guided by an interlocal agreement with the county that establishes a reasonable balance and phasing of land uses and delivery of urban services. The county plan includes a list of proposed actions for each city to improve management of expected development within the UGA.

Bellingham’s UGA boundary encompasses 7,340 acres within a half to two miles of the city limits, including 5,280 acres in the Urban Fringe Subarea. The county plan calls for Bellingham’s UGA to promote new residential development at densities of six to eight units per net acre. The consultant retained by Bellingham calculates that the net buildable land supply in the existing city is 991 acres and within the unincorporated part of the UGA is 603 acres. (“Net buildable” excludes land used for public purposes, critical areas, future infrastructure, and public facilities, and accounts for land unavailable for development.) That amount of land would allow development of the forecasted growth of 9,500 housing units by 2022 at densities of 7.34 units/acre in the city and 3.7 units per acre in the unincorporated part of the UGA. An additional 1,000 units could be developed in current high-growth areas. Commercial/industrial growth is forecasted to require 758 net acres while the land supply is 686 acres. (See Appendix D, Attachment 3, 2004 Final EIS for Bellingham for details.)

Lynden, the next largest city, is forecast to grow from a 2000 population of 9,020 to 16,900 by 2022, including growth in the UGA. Lynden is surrounded by agricultural lands to be protected under the GMA requirements. Current county zoning allows a broad range of agriculturally related commercial and industrial uses that are impacting expansion of agricultural-related businesses. The county proposes average densities for new development at five to seven units per residential acre.

Ferndale is forecast to grow from a 2000 population of 8,758 to 17,322 by 2022, including growth in the UGA. The UGA includes areas presently zoned for urban purposes, an industrial park, and 500 acres of wetlands. Some of the area zoned for urban development is served by water and sewer facilities. The county proposes residential development at average net densities of six to eight units per acre.

Blaine is forecast to grow from a 2000 population of 3,770 to 7,942 in 2022. Blaine has developed primarily as a resort, retirement, and second-home community. The UGA includes large wetland areas (twice as much acreage as defined in the National Wetland Inventory) and also is intended to allow for further resort development and for construction of affordable housing to offset the high-end housing that is being developed within the city limits.

Everson, with a 2000 population of 2,035, is projected to grow to a population of 3,912 by 2022, including growth in the UGA. Growth opportunities are severely constrained by flood prone lands, agricultural resource lands, and active gravel mines. The county proposes average net densities for residential development of four units per acre.

Nooksack, with a 2000 population of 851, is projected to grow to a population of 1,881 in 2022. Nooksack is surrounded by flood prone, agricultural, and mineral resource lands and the nearby town of Everson. The county proposes average net densities of four units per acre for residential development.

Sumas, with a 2000 population of 978, is projected to grow to a 2022 population of 1,669. Flood prone land is a constraint to growth, while large property ownerships control much developable land, requiring a larger UGA than might otherwise be indicated. The county proposes future residential development at an average of four net units per acre.

Whatcom County was not required to complete a Buildable Lands study until 2007 but added a policy statement in the proposed plan that calls for development of a consistent approach to calculating land supply needed within a UGA, as a guide for county and city evaluations of buildable lands. In addition, the county is working with individual cities to determine the land supply available for future development within cities and their UGAs. Analyses of Bellingham and Birch Bay have been completed and several small cities are preparing studies now. The County expects these studies will allow the County to determine the adequacy of planned development areas to accommodate future growth by 2007, when the 10-year buildable land evaluation is due.

b. Cherry Point Port Industrial Area: Cherry Point possesses the advantages of deep water access for shipping, rail service, proximity to Alaska and Canada and relatively short travel distance to other Pacific Rim locations. As an important economic asset for Whatcom County, Cherry Point is designated as an unincorporated UGA. The proposed UGA of 6,500 acres is the site of three major industrial facilities that occupy about 2,500 acres and two prospective industrial facilities are expected to occupy an additional 1,500 acres. Based on the average land consumption per facility, there is land remaining for only three more facilities, which are expected to absorb the available land during the 20-year planning period.

c. Clusters of Development Within Rural Areas: The county plan designates scattered clusters of development – some large, most small – under a variety of classifications such as small towns, crossroads commercial, and suburban enclaves. Most clusters have developed incrementally over time as low-density settlements in agricultural and forest areas, although a few represent fairly large-scale developments permitted and constructed long before the GMA was enacted. The county has proceeded on the basis that some unincorporated clusters of development represent legitimate villages and minor commercial centers that provide goods and services to their locales and therefore warrant preservation and even limited expansion. At least three resort/recreation unincorporated areas have sizable populations and substantial amounts of existing development. Residents include a mix of permanent and second-home dwellers. The county plan proposed to recognize the three areas as county urban growth areas unassociated with existing cities. The Route 10 corridor and northern-most section of I-5 are viewed as suitable only for highway-related uses. And the half-dozen or so “suburban enclaves” are long-platted subdivisions, some once second-home settlements, which will not become full-fledged urbanized areas during the 20-year planning period. Since all of these clusters lie in unincorporated areas unlikely to be annexed by a city, the county has acted to protect their continued existence.

d. Five- and ten-acre zoning in rural areas: The county was equally reluctant to foreclose recognition of existing and potential development of individual lots sprinkled throughout agricultural areas, where for decades county residents have staked out rural living arrangements. Some are sited on good agricultural land, others on unproductive soils, and still others in wooded areas. Some rural residents practice farming or forestry or operate a home occupation. To provide opportunities for continuing this form of residence, the county has designated about 85,000 acres for rural zoning. Some acreage is zoned for a minimum lot size of two acres but most requires minimum lot sizes of five or ten acres. The large-lot requirement is not intended to discourage residents from purchasing a lot and building a house, and indeed hundreds of building permits were issued in 2003 for sites in rural areas.

e. Agricultural and Forestry Areas: The prohibition of residential development and the 40-acre minimum lot size in these designated areas have worked to maintain farming and forestry areas.

f. Protection of Critical Areas, Shorelines, and Environmentally Sensitive Lands: An important County role is conserving natural resources and protecting water resources, plants and animals, and scenic resources. To this end, the County adopted critical areas regulations in 1997, included protection of resource lands in countywide planning policies and the County plan, and designated the Lake Whatcom watershed as a water resource protection overlay zone. Bellingham is currently considering potential regulations and other actions necessary to restore water quality in the lake, which provides drinking water for half the county's residents. In a recent action, the County Council voted to remove Point Whitehorn and Birch Point on Puget Sound from the Birch Bay UGA to prevent beach erosion and reduce stormwater runoff that might damage smelt spawning areas. In addition, the County plan designations of UGAs include recommended actions for preventing harm to wetlands, flood prone areas, wildlife habitats, and other environmentally sensitive qualities found within UGAs.

Current Policy Issues: Whatcom County's comprehensive plan has been criticized for allowing too much suburban-style development in some areas designated for rural use and for providing too little land in designated UGAs for residential development, especially of affordable housing.

a. Development in rural areas: Tim Trohimovich, Planning Director for 1000 Friends of Washington, calls the county plan "one of the worst of the larger county plans" because of its allowance for retaining and even promoting suburban development densities in ostensibly rural areas. The organization petitioned the state GMA hearing board to further restrict scattered rural development allowed by the 2004 proposed plan and zoning designations. (Hearing board decisions can require counties and cities to change plans and zoning to more closely adhere to GMA goals.) The petition challenged a number of designations (small towns, crossroads commercial, suburban enclave, transportation corridor and resort/recreational), arguing that the rural development allowed by the designations does not conform to the GMA requirements for more intensive rural development provided for in RCW 36.70A.070 (5)(d).

That section of the GMA, which was added after Whatcom County adopted its plan in 1997, allows designation in rural areas of "limited areas of more intensive rural development" (LAMIRDs) to include "infill, development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas, whether characterized as shoreline development, villages, hamlets, rural activity centers, or crossroads developments." The law requires the county to adopt measures to minimize and contain the existing areas or uses in such areas, which "shall not extend beyond the logical outer boundary of the existing area or use, thereby allowing a new pattern of low-density sprawl." The boundary may include undeveloped lands. In determining a logical boundary, the county must consider:

- the need to preserve the character of existing natural neighborhoods and communities;
- physical boundaries such as bodies of water, streets, and land forms;
- the prevention of abnormally irregular boundaries, and

- the ability to provide public facilities and services in a manner that does not permit low-density sprawl.

For purposes of the subsection, an existing area or use is one in existence on July 1, 1990, when the GMA law was enacted. The law also provides for intensification of development of small-scale recreational or tourist uses not including new residential development, and of development relating to isolated cottage industries and small-scale businesses that provide job opportunities for rural residents. The GMA also allows the county to designate master planned resorts and major industrial developments outside an urban growth area under certain conditions, including a provision that the county adopt regulations to preclude urban development in adjoining areas (Sections RCW 36.70A.360 and 367).

CTED letters in November, 2003; January, 2004; and August, 2004, commenting on aspects of the draft county plan, all urged the county to consider employment of the LAMIRD approach to distinguish between urban and rural areas and to limit expansion of development into rural areas. The letters cite – and praise -- specific county-wide planning policies and zoning changes in the new county plan that in many respects parallel the LAMIRD intentions. The CTED comments encouraged the county to take the next step to actually apply the LAMIRD purposes and criteria. The August letter, in fact, strongly suggests that county’s comprehensive plan and development regulations should comply with the LAMIRD designation process.

The Western Washington Growth Management Hearings Board dismissed the 1000 Friends petition (Case No. 04-2-0010) on August 2, 2004, determining that the County’s action in March to amend the comprehensive plan did not constitute the formal “evaluation and updating” of the comprehensive plan due in December, 2004. Nevertheless, the 1000 Friends has signaled that this issue might well be raised again. Thus, although the county expected to make only minor adjustments to its current plan for its mandated ten-year update, it may be compelled to delve deeper into the planning and zoning issues arising from a negative finding by the hearing board – including significant time and effort to recast provisions in a number of districts, establish and manage a public participation process, and adopt rather substantive amendments.

At this point, the County claims that it has neither the staff, the time, nor the funds to pursue such an effort. In the meantime, the County’s new transferable development rights program may induce higher-density development while protecting rural lands and the County may consider downzoning some rural lands from one- and two-acre minimum lot sizes to five- or ten-acre lots.

b. Limited UGA land supply: REALTOR Roger Almskar, interviewed for this study, protested that Whatcom County’s designated UGAs provide too little land to meet housing demands, especially in the Bellingham area, thus driving up land prices, affecting housing affordability, and promoting development in rural areas. He observed that land prices in Bellingham’s UGA have risen sharply in the last year or two, that parcels suitable for even moderately scaled developments are scarce, and that buildable

land is increasingly limited by unreasonable requirements for protecting environmental features such as stream valley buffers. Within the city, Almskar said, infill development is hobbled by rules about lot frontage on public streets, even in hilly areas, requirements for developer provision of basic infrastructure, and an unwillingness of city officials to aggressively pursue upzoning to higher densities.

The County's comprehensive plan admits (on page 2-22) that "[i]t continues to be a challenge to find appropriate sites for affordable housing [in the Bellingham area]." The plan cites as factors contributing to the lack of affordable vacant land in Bellingham parcel ownerships, topography, the cost of service extensions, and "a discrepancy between average income levels and cost of housing...." The plan claims that the UGA was sized to provide enough land for the 20-year projected growth and promises (on p. 23) that service delivery to developing areas will be facilitated by interlocal agreements regarding timing and funding of capital improvements.

The comprehensive plan's housing element incorporates all the usual statements about promoting housing affordability through regulatory streamlining, incentives of various types, and innovative approaches such as some form of inclusionary zoning, small lot and lot clustering designs, and relief from some infrastructure requirements. Implementing these policies and programs, however, remains spotty in practice and results.

Conclusions: Whatcom County has made significant advances in planning for growth under the GMA. Its comprehensive plan and zoning provide for substantial conservation of substantial non-federal areas of agricultural and forest land. Shoreline and critical areas ordinances are being administered. Urban growth areas appear to be appropriately sized to accommodate development and density targets appear feasible based on recent trends. The county allows limited development in a variety of partly developed rural areas in unincorporated territory. However, according to Almskar, the apparent mismatch between land demand and supply for housing in designated development areas promoted over 1,100 applications for building permits outside of UGAs last year. He also claims that land available for housing development in UGAs is growing scarcer every year, in part due to environmental constraints such as increasing set-asides of stream buffer lands.

Housing prices remain a problem, as they do throughout Washington's growing counties. There seems to be a conceptual gap between land use and housing policies that needs closing. It appears that Whatcom County, under state pressure, is struggling to meet GMA goals for directing urban growth to UGAs while giving low priority to establishing the conditions necessary to develop housing for all income groups. For example, land in the county's prime growth area around Bellingham is characterized by rolling topography and extensive wetlands, leaving relatively small parcels suitable and financially feasible for development. One result is rising land prices as developers bid up available properties. Another result is that a considerable amount of residential development is leaping past the UGAs into the rural hinterland. These trends may be an unforeseen consequence of GMA goals and requirements as presently administered by the state and by local governments. (These conclusions are further explored in the closing sections of this report.)

For CTED and 1000 Friends, Whatcom County's slowness in recognizing the state's interest in protecting rural lands from suburban-style development remains an unsolved problem. Trohimovich of 1000 Friends says the county "does a lot of things well" but the plan simply allows thousands of acres of sprawl-type development in addition to thousands already platted and vested for development. In most cases, he says, the development is not well planned, often lacks sewer and water service, creates future traffic and school problems and, ultimately, is "trashing" Puget Sound. For its part, CTED in its plan reviews has commented on the County's need to address this issue. Others, chiefly developers and landowners, disagree, maintaining that low-density lifestyles are a part of Washington's heritage and significantly contribute to the supply of affordable housing in Whatcom County. This on-going conflict of competing interests will continue playing out as the new comprehensive plan goes into effect and as the next round of comprehensive planning is anticipated.

Findings of the Evaluation

Washington's GMA has had a significant influence on the course of community development in the state. The GMA was approved when many Washington counties and cities lacked complete or any comprehensive plans and routinely approved zoning changes inconsistent with adopted policies. Today, the GMA has established some order and thoughtfulness – and predictability -- in the community planning and development process in most parts of Washington. The GMA also was something of an experiment, and that quality is ongoing. It called for growth boundaries when relatively few communities in the state or nation employed them to manage growth. It proposed what community leaders in many states viewed as rather radical constraints over development to preserve agricultural, forestry, mineral resource, and rural lands. It mandated concurrency for transportation systems and required planning and funding for public facilities adequate to serve growing communities. It demanded unprecedented cooperation between counties and their cities concerning decisions on what, where, and how development should occur. A recent report by the American Planning Association, *Planning for Smart Growth: 2002 State of the States*, called Washington's GMA "one of the most comprehensive and modern planning statutes in the country."

The watchdog organization 1000 Friends of Washington agrees with this assessment. In its 2002 analysis of GMA successes, 1000 Friends finds that between 1982 and 1997, each new Washington resident used less newly developed land than residents in all but six other states. Other pluses, says 1000 Friends, are that cities and counties have better plans; better permitting, financing, and economic development tools; and better resource protection.

However, no statute as far-reaching as the GMA in its purposes -- and in its requirements for collaborative decision making -- can escape controversies and criticisms. The GMA has been faulted for establishing goals at once too amorphous and overreaching, on the one hand, and requirements too detailed and demanding, on the other hand. State and

local implementation of the GMA has been blamed either for invading property rights or inadequately enforcing its goals; for forcing up housing costs and throttling business development or allowing too much development in rural and critical areas; for escalating bureaucratic paper shuffling to meet GMA requirements or inadequately defining feasible programs and actions; for wasting time in indecisive citizen participation activities or not paying enough attention to local concerns. Even the growth management hearings boards, praised by some for allowing appeals and corrections of poorly conceived state and local actions, are viewed by others as unwarranted meddling in local affairs.

This evaluation of local implementation of the GMA finds the act and its administration are very much a work in progress. And works-in-progress are frequently messy and disorderly, requiring constant learning and adaptation to changing conditions and contexts. The act itself has been amended numerous times to address issues and clarify interpretations of its requirements that have arisen during implementation. One example is the amendment that allows integration of requirements of the State Environmental Policy Act (SEPA) with GMA's local planning requirements, thus reducing duplicative and frequently conflictive permitting processes. Another was the requirement promoted by the development industry to require the six fastest-growing counties to undertake studies of buildable land supply to determine whether urban growth areas are adequately sized to accommodate growth.

State and local administration of the act also has adapted to experience gained during implementation. The CTED has learned to focus its comments on key aspects of plans and regulations rather than attempt staff-consuming total immersion in critical reviews. It has recognized and adjusted its prompting to the fact that some jurisdictions are further up the learning curve than others. In addition, CTED has turned out a steady flow of helpful guides for resolving interpretations of requirements and describing ways and means of using innovative approaches and tools. An example is the department's current efforts to encourage wiser local planning for phasing and funding public capital facilities, which can reap dividends for promoting local economic development as well as cost-effective service for developing areas.

Local planners and public officials have made strenuous efforts to respond to the GMA goals and provisions, even while attending to the realities of constituents' mind-sets about the proper balance between communitywide goals versus individual private interests. Along the way, local governments have been willing to try out innovative concepts and to tailor growth management techniques to their particular needs.

Thus the state and local governments have made great strides in applying the purposes and provisions of Washington's GMA, but its implementation is best viewed as an evolutionary process, one that will bear constant tinkering as conditions change, priorities rise and fall, and experience is gained. In that sense, it is truly experimental in nature, applying new ideas and testing new approaches.

The following sections explore and comment on several significant issues that continue to cause conflict in the application of GMA goals by cities and counties.

1. Local Compliance with GMA Goals: The primary mechanism for assuring local compliance with GMA goals is the city or county comprehensive plan required by the act. The plan provides the policy framework for implementing regulations such as zoning and subdivision ordinances, which must be consistent with the plan. By comparison with experience in Oregon and other states with similar programs, Washington's local jurisdictions moved relatively quickly to comply with the GMA's planning requirements. By mid-1994, just four years after passage of the law, 50 jurisdictions had submitted draft plans and 21 of them had been adopted as final plans. By 1996, 146 localities had adopted plans. Today, in 2004, only two counties in the rural northeast part of the state have not adopted the required plans.

Have local plans and associated land use regulations and programs satisfactorily addressed all the GMA goals? CTED, backed by decisions of the hearings boards, has consistently maintained that local governments must work to achieve the complete set of goals. Although the GMA does not indicate any priorities among goals, CTED acknowledges that communities will differ about the importance of individual goals. Rural communities, for example, will view priorities differently than urban jurisdictions. But the general rule is that none of the goals can be disregarded in favor of others. Instead, local governments are urged to reach a balance among goals, perhaps "giving greater weight to one GMA goal than to another..." as spelled out by the Central Puget Sound Growth Managing Hearings Board in one case. The CTED and hearings boards view the comprehensive plan as the locus of that balancing act. The Eastern Washington hearings board put it this way: "A local government selects and weighs these goals in light of the relevant information to achieve its desired plan. The plan should harmonize the goals, giving the greatest effect possible to each goal."

If this is the policy; what is the practice? Certainly, experience in other states that administer growth management acts is that local governments (and the state as well) inevitably will give some goals more attention than others, both initially and over time. A 1997 analysis by Deyle and Smith of local compliance with Florida's mandated state planning goals found that the content of local plans (in this case, for coastal storm hazards) varied greatly from one community to another. In fact, on average, only half the mandated goals were explicitly addressed in the local plans. As important, the limited time state staff could spend on reviewing local plans, and the complexity of issues and approaches involved, led state planning staffs to selectively review and enforce certain policies more than others.

In Washington, it appears that goals directly affecting the planning process, such as the requirement to designate urban growth boundaries, tend to attract immediate attention, while goals dealing with difficult subjects such as housing affordability are put on the back burner, at least for a time. For example, after a series of hurricanes, Florida's state agency and local jurisdictions focused strongly on planning for evacuation routes. When the economy goes sour, as it has in Washington, economic development becomes a hot topic, especially in job-poor jurisdictions such as those in eastern Washington. When public facility funding is scarce, planning for public facilities becomes a more acute need.

In Washington, both of these latter concerns have achieved importance in state and local plans for implementing GMA goals. And it is fair to say that the comprehensive plans and development regulations of all three of the case-study jurisdictions pay considerably more attention to delineating growth areas and ensuring that economic development is not hindered by inadequate supplies of potential business sites than to promoting affordable housing.

Unfortunately, as public officials pick and choose among goals to emphasize they can lose sight of the interrelationships between goals. Indeed, sometimes goals appear inconsistent – for example, preserving existing housing while promoting affordable or mixed-income housing. But the goals do not present an all-or-nothing choice and each can be balanced with others. (A community’s stock of existing housing is often an important resource for affordable units. New affordable housing can be infilled in older neighborhoods or encouraged in newly developing areas.) More important, achieving individual goals may depend on meeting other goals. Housing affordability, for example, depends to a large degree on the supply of land available for urban development and the densities and types of housing allowed. For communities lacking implementation actions relating to these goals, housing affordability can remain a distant mirage.

Local governments, then, are free to reach a balance in implementing the GMA goals as long as they do not ignore some in favor of others. That principle leaves plenty of room in any jurisdiction for continuing discussions about priorities among the goals. The evidence is that (1) individual jurisdictions do express their major concerns about growth and development by emphasizing implementation of certain goals over others; and (2) no jurisdiction can be said to have adequately and comprehensively addressed all the GMA goals. Ultimately, Washington’s GMA program depends on the political process to reach an acceptable balance among the goals through the adoption and occasional updating and amendment of comprehensive plans and development regulations.

2. Accommodation of Growth: The GMA is clear on this subject: Counties must designate urban growth areas (UGAs) for cities and urbanizing areas which “shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period.”[RCW 36.70A.110] Furthermore, Article 115 requires that county and city plans “shall ensure that adoption of and amendments to their comprehensive plans and/or development regulations provide sufficient capacity of land suitable for development within their jurisdictions to accommodate their allocated housing and employment growth, as adopted in the applicable countywide planning policies and consistent with the twenty-year population forecast from the office of financial management.”

Three key details of that statement have become points at issue in determining whether designated growth areas can accommodate expected growth. One is the area’s projected population growth that defines the need for growth areas. The second and third are the forecasted development densities and the size of designated urban growth areas. All three determinations call for difficult and arguable technical judgments.

a. Population Projections: The GMA assigns the state's Office of Financial Management the responsibility for making annual estimates of population for each county and, at least every five years, 20-year projections of the future population for each county. After the discovery that projections varied from actual counts in the 2000 census, the GMA was amended to require that OFM projections aim for "a reasonable range developed within the standard state high and low projection." The middle range is supposed to represent the Office's most likely projection for the county. Counties thus have the option of abiding by the Office's middle-range projection or choosing a 20-year population target between the high and low projections. But counties have other options as well: accounting for expected variations in year-to-year growth by tweaking the growth curve; allocating the proportion of future residents who will reside in rural areas rather than cities and urban growth areas; and distributing (in consultation with cities) population growth to various cities and urban growth areas.

Counties determine these choices by combining "best guesstimates" with a dash of political sensibility. Some counties with limited technical resources employ consultants to provide a starting point for discussion; others rely on past trends and known conditions that might impede or propel growth in certain areas, such as extensive wetlands or attractive areas for infill development. But county officials also listen to constituents who may wish to slow down growth or to emphasize business rather than residential development. In the most recent planning period, for example, Clark County's "working" projection for 20-year planning purposes changed at several points during the comprehensive planning adoption process as the county commissioners factored in desires for increasing job-related development and concerns over the cost of providing urban services to developing residential areas.

The state OFM estimated Whatcom County's potential 2020 population as a range from 216,000 to 261,000, with a midpoint of 232,000 (actually 6,000 below the mathematical middle). A consultant suggested a greater range: 206,000 to 281,000. County officials picked 235,000 as the projection they could live with, a number lower than the medium projection but higher than the OFM "likely" estimate. In allocating the future population increase to rural versus urban areas, however, the county determined that 18 percent of the increase would occur in rural areas, where 36 percent of residents now live. That signaled the county's expectation that their plan would continue a recent trend of UGAs attracting most new residents.

Employment is the wild card in all these calculations. Projecting economic development and associated jobs is notoriously difficult in any circumstances. Looking ahead 20 years to understand what kinds of businesses will need what numbers of employees is a chancy thing. Studies of market attractions for specific types of businesses can generate an intimidating mass of numbers, even if they are based in large part on the existing collection of businesses. But even then, projecting the jobs created by new economic development is also difficult. Then determining the amount of land required for future employment adds complexity to the process. Nevertheless, whether by straight line projections or any other technique, future levels of employment are a significant part of the exercise to determine land needs for development

Thus the arcane science of growth projections can devolve to a wishing game. Counties desiring to grow or to expand employment can choose numbers – essentially targets – that reflect these interests. Counties hoping to slow the pace of growth can decide on low-ball projections. They can then shape their comprehensive plans and development regulations in the hope of achieving these objectives. For example, the Clark County commissioners announced that their decision to reduce the 20-year population projection -- the basis for their comprehensive planning – stemmed from the need to scale back infrastructure costs to realistic levels. Whether the lower projection will actually transpire and thus reduce infrastructure needs remains to be tested. But the decision begs the question of whether growth can be turned on and off at will.

An undated policy paper, “Planning for Growth,” published by the Washington Association of Realtors, advocates the founding of growth strategies on realistic projections of future population growth. The paper explains that sprawl will occur if projections are either too low or too high. Low projections lead jurisdictions to plan for less growth than will actually occur, with the result that growth will spill over into low-density development in rural areas. High projections will cause local governments to make overly abundant amounts of land available for development, abetting consequent sprawl. The paper concludes that “While all kinds of speculation can be brought into play when discussing projections of future growth, it is clear that, in general, accurately estimated projections of future population growth provide planners the best potential for controlling sprawl....”

Population growth, however, does fluctuate. Due to the state’s current flat economy, 70 percent of the counties are tracking somewhat lower than the intermediate population figures projected by OFM. However, all but two counties are tracking within OFM’s high and low projection range according to the 2004 projection tracking report. Tracking housing production is less common, but according to CTED at least nine local governments measure progress on that and other indicators through benchmark or performance programs. A sampling of local programs to build affordable housing demonstrates that several jurisdictions are producing significant numbers of affordable units on an annual basis. Still, with rising housing prices and stagnant levels of household income, affordable housing needs in Washington jurisdictions continue to climb, indicating the reason to move more aggressively to meet affordable housing needs.

b. *Densities of Development:* The size of urban growth areas depends in part on the densities of expected development. The GMA includes no exact determination of the development densities that define “urban growth” except to mention that urban growth is typically served by public services and facilities ‘historically and typically provided in cities....’ However, a decision by the Central Puget Sound Growth Management Hearings Board established four units per acre as the minimum “urban” density. CTED, in *The Art and Science of Designating Urban Growth Areas, Part II: Some Suggestions for Criteria and Densities*, observes that under current economic conditions, only single-family densities of six to eight units per acre and multifamily densities greater than that may be affordable within urban areas for the average Washington resident. For purposes

of projecting land needs in urban growth areas, however, CTED suggests that jurisdictions employ “achieved” densities, which measure the number of actual dwelling units constructed per acre of land developed in recent years.

One aim of the Buildable Lands program was to determine whether counties and cities are achieving urban densities within UGAs. Based on building permit and subdivision records for 1995 to 2000, the average achieved density of development ranged from 3.59 units per net residential acre in Thurston County to 7.3 units per net residential acre in King County. In fact, according to CTED’s 2002 evaluation of the buildable lands program, densities increased rather dramatically in Pierce and King counties during that five-year period. CTED warned that counties with a substantial backlog of undeveloped large lots might find overall densities decreasing for a time. That scenario appears to be playing out in Clark County, where residential densities have not met targets in most communities due to continued development in older, large-lot subdivisions. The Clark County Buildable Lands Study did not venture a prognosis on when the market would absorb such lots to allow generation of higher densities through smaller-lot subdivisions and urban infill development.

c. Supply of Land Designated for Urban Growth: Once projections and densities are decided, additional calculations are needed to determine the amount of land required to accommodate the increases in population and employment. Analyses of land needs and land supply would seem to be a necessary part of any comprehensive planning process but local governments frequently omit them in the rush to complete plans. However, Washington has taken an important step by requiring the six most populous counties to undertake “Buildable Lands” studies. Not only did these studies generate useful data, they also helped to establish a tested process for other jurisdictions to employ in determining land supply needed for future growth.

The *Buildable Lands Program Guidelines* produced by CTED in 2000 outline the basic steps in such a study. The steps include calculations of the projected increase in housing units based on average household size for a given population, and the actual net density per acre of new housing during a given period, to yield the additional net acres of residential land needs for the city or UGA. A similar type of calculation, using the number of projected employees, the average building square footage per employee, and floor-area ratios of recent business development, produces an estimate of the increase in net employment land in acres.

Calculating urban land supply starts with the gross acreage of vacant, partly-used, and under-used land and subtracts land considered unbuildable, land unserviceable by water and sewer infrastructure within the planning period, land required for public facilities and purposes, and land estimated to be unavailable for development during the planning period to yield net buildable land available for development. This figure is compared with the estimate of land needs to determine whether too much or too little land is being made available to accommodate development in urban growth areas.

CTED's 2002 summary of findings from the Buildable Lands Program reported that all six counties concluded that their UGAs had more than enough capacity to accommodate projected demands. In fact, King County's UGAs provide more than twice the needed supply of buildable land, and Clark and Pierce counties provide at least 140 percent of needed land. This result came as no surprise to local planners, who believed that the initial designations of UGAs in 1994 plans had been quite generous in response to pressures to avoid downzoning and in the absence of detailed land supply information. Pierce County has responded to the study results by making some changes in its 2004 comprehensive plan to reduce the size of some urban growth areas and increase densities in others. Clark County, on the other hand, planned to increase urban growth areas and scale back its density expectations.

Some members of the development industry in Washington have concluded that the counties' procedures for determining the appropriate supply of buildable land are faulty in several ways that will lead to shortages of developable land and consequent escalation of land and housing prices. Their concerns are detailed in a White Paper, "A Critical Analysis of King County's Buildable Lands Evaluation Report" prepared in 2004 by Erwin B. Pace for the Seattle-King County Association of REALTORS. In brief, the paper cites several problems with recent county buildable land analyses:

- In some cases, counties and cities are selecting 20-year growth projections that represent slower rates of growth than are warranted by recent and likely future population growth rates – in effect, adopting a policy of slowing growth in response to voter pressures or infrastructure funding problems rather than market realities;
- Assumptions that future residential densities will continue rising fail to recognize the absorption of available infill sites over the past few years, the increasing opposition of neighboring homeowners to proposals for higher-density developments, and pent-up demands for single-family homes on larger lots due to inadequate expansion of public infrastructure and constraints on land supply;
- The "market factor" used in calculating land supply, which inadequately accounts for market feasibility (affected by site conditions that generate higher than normal costs, and by infrastructure availability) landowners' holding development sites off the market to take advantage of rising land prices, the necessity of factoring in at least a five percent home vacancy rate, and, in some markets, may overlook the creation of a virtual monopoly on developable land by the small number of landowners within designated urban growth areas;
- Other factors such as the amount of undevelopable land are not fully reflected in calculations of land supply;
- Ongoing limits on the supply of developable land through the under-funding of infrastructure improvements to serve new development, including transportation, as described below.

Any one or, more likely, some combination of these concerns, can generate shortages in developable land and thus escalate housing prices. Examples frequently cited are lands within UGAs where stream valley buffers are being expanded, reducing the amount of

developable land, and/or jurisdictions that are lagging in extending sewer lines, thus withholding land from development.

The 1000 Friends of Washington organization has challenged Whatcom County's newest comprehensive plan on another issue of land supply: the amount of acreage planned and zoned for one- and two-acre lots in rural areas, which 1000 Friends regards as suburban sprawl. As described in the Whatcom County case study, the county is allowing subdivision of such lots around existing clusters of urban or semi-urban development outside urban growth areas. Although the areas seem small on the county map, Tim Trohimovich of 1000 Friends says they add up to allowing development of 17,000 dwelling units in rural areas at non-rural densities (which the hearings boards generally have established as five acres or more per dwelling unit).

Examples of these concerns have been cited in the case studies prepared for this report. However, such concerns are part of the mix of issues that local public officials must consider in decision making about comprehensive plans, zoning, and designations of urban growth areas. Development policies, after all, are guidelines to decision making that require a balancing of crosscutting issues that depend on current physical, economic, social, and fiscal conditions and trends. Moreover, Washington's local jurisdictions have access to one approach to better decision making and at least two "relief valves" that can mitigate the potential effects of growth boundaries on housing supply and prices. Pierce County, for example, asked a group of REALTORS to recommend an appropriate "market factor" for determining land supply that provided what was believed to be a realistic estimate used in determining available land supply in that county. More reaching out by public planners to tap the expertise of industry members could be helpful in establishing reasonable practices.

In addition, two built-in aspects of the planning process can help to alleviate unexpected increases in pressures on land supply and associated land prices that might occur after plan adoption. One is the GMA requirement for periodic review and revision of comprehensive plans and urban growth areas, which can identify and respond to anomalies in predicted trends. In other words, the decisions reached now about expected growth during the 20-year planning period are not frozen in time; they can be altered and adjusted as trends change, especially during the seven-year updates of comprehensive plans. The projected 20-year supply of land allows a considerable cushion for unanticipated growth needs.

The second "relief valve" is the extensive amount of rural land that counties have zoned for minimum lot sizes as low as five acres. In many counties, five-acre lots are attracting a steady flow of new residents to rural areas – people who value rural living and natural surroundings, and who can benefit from a substantially lower price per acre than they must pay in urban areas. In most Washington land markets, five-acre lots remain marketable for development (in contrast with 20-acre and larger lots often required by jurisdictions trying to discourage development to protect agricultural areas). In Washington, CTED, the hearings boards, and the counties appear to agree that development of homes on five-acre lots can retain valued rural qualities.

d. Conclusion: Enough Land for Urban Growth? Concerns about the effects of urban growth boundaries on land supply and housing prices are legitimate. A new study of “urban containment” policies in the United States concludes that “few growth management plans with an urban containment framework [such as urban growth boundaries] include a formal analysis of the projected land or housing value impacts of their proposed ... policies.” (Nelson and Dawkins, p. 19) The study examined the statistical basis for 127 urban containment plans and found only three that included a detailed examination of the land value impact of the urban growth boundary and only 12 that evaluated housing price effects of such a boundary.

Washington’s initiation of such studies through the Buildable Lands Program is laudable as an initial step but falls short of pinning down housing supply and price effects of UGAs, and particularly their effects on construction of affordable housing. Few jurisdictions elsewhere have undertaken serious evaluations of the potential effects of boundaries on the supply of low-cost housing, in part because they are not easy. The estimate of buildable lands calls for many judgments about basic inputs, from determinations of future household sizes to average building space per employee to definitions of under-used or unbuildable land. It requires assumptions about future development densities, areas of future water and sewer service, and landowner intentions for development during the planning period. (CTED published a guide in 1992 for making these types of judgments and assumptions: *Issues in Designating Urban Growth Areas, Part 1.*)

The process allows multiple opportunities for technicians and elected officials to play with the numbers to get the “right” result. At the same time, it allows critics to challenge assumptions and decisions. But the statistics are subject to expert scrutiny, over time, and some jurisdictions have employed consultants to second-guess in-house projections. Local officials and the hearings boards hold hearings that expose numbers and calculations to public observation. Jurisdictions competing for space and tax revenues can check each other’s calculations. CTED, while it cannot examine all the inputs and outputs, can and does sample the methodologies. All these possibilities for searching inquiries increase the likelihood that planning technicians have tried their best to make logical judgments and reasonable assumptions, and have presented supportable numbers for these studies and plans. That does not mean that the judgments, assumptions, and numbers cannot be faulted or corrected, but it does mean that once exposed to public discussion, the results should be regarded as the best available knowledge (or science).

So the question: “Do jurisdictions provide enough land for urban growth?” is answered “yes, *but.*” If the buildable lands studies are close to correct, there is more than enough land in UGAs to satisfy land needs for expected growth for the next 20 years. And the 20-year time period allows plenty of time for mid-course corrections. Furthermore, in most counties, additional land is still available for development outside UGAs, either in previously platted subdivisions or in rural, low-density areas. The “*but,*” however, raises the questions of whether local jurisdictions can generate adequate expansions of

infrastructure systems to support growth in designated areas (as further discussed below), and whether NIMBY reluctance to zone for higher densities will raise land prices.

3. Role of Housing Demand, Supply, and Affordability in Growth Management:

Washington's housing market has been affected by the booming economy of the 1990s that stimulated housing demand and housing price rises, followed by a weak economy that has left many households without the means for purchasing homes and subject to rents that absorb a large percentage of their incomes. Homeownership rates in the state, although increasing to 66 percent, are still below the national average of 68 percent and the ability of state householders to purchase a home is declining. The *Washington State Consolidated Plan for 2005-2009* prepared by CTED in 2004 estimates that 246,330 households are paying more than half of their gross income on housing costs. (The upper limit of gross household income typically allocated to housing is usually established at 30 percent.)

The GMA housing goal is an ambitious one. It requires that local comprehensive plans incorporate a housing element "ensuring the vitality and character of established residential neighborhoods..." including an inventory and analysis of existing and future housing needs that identifies the number of housing units necessary to manage projected growth; a statement of goals, policies, objectives and mandatory provisions for the preservation, improvement, and development of housing; and designation of sufficient land for housing suitable for all economic segments of the community.

Vancouver's housing element in its 2004 plan, for example, cites the tripling of household numbers from 1980 to 2003 (due in part to a large annexation) and the projected household increase of about 10 percent by 2023. It shows almost a doubling of median income from 1990 to 2000 that still leaves 22 percent of individuals and families with incomes below the federal poverty level in 2000. The housing element traces changes in types of housing (more single-family homes) and occupancy (more owner-occupied units). It provides affordability figures that show that more than half the households in Vancouver cannot afford the median home value of \$142,000. It identifies the availability of developable land and the time delay and cost of environmental permitting as constraints on meeting housing demands. Both of these factors can be influenced by growth policies, including the accommodation of needed housing in UGAs as shown by Clark County's Buildable Lands study.

However, left unsaid in Vancouver's plan report are other and perhaps equally important influences on housing demand such as the rapid rise in home prices throughout the nation during the boom economy of the 1990s, the currently weak Washington state economy that is holding down household incomes, the continuing decline of federal funds for low-income housing (including the upcoming cancellation of the popular HOPE VI mixed-income housing program), and the nationwide run-up in housing values that has occurred as purchasers understand the value of housing as a more attractive long-term investment than the stock market. Factors such as the sharp rise in lumber prices and desires for much larger and well-equipped houses also raise housing costs.

In addition, Washington jurisdictions are subject to the same pressures as local governments throughout the nation, whose affordable housing programs are stymied by the steep rise in housing prices plus the steady withdrawal of federal funding for housing. But Washington jurisdictions also face pressures to delineate UGAs and preserve rural areas in accordance with GMA provisions, untangle transportation concurrency issues, and improve provision of capital facilities. In local jurisdictions' pursuit of GMA goals, these activities may appear more pressing than the issue of affordable housing.

The GMA requirements and other public policies and regulations that control the location and amount of land for urban development are frequently blamed for driving up housing costs. The effect of regulations on housing prices is an old and continuing controversy that rests, in large part, on the difficulty of distinguishing the impacts of public regulation from private market effects on housing prices. Economists have carried out elaborate statistical exercises to "prove" either case. A Reason Institute Policy Study, for example, looks at the impacts on housing affordability of state growth management programs in Florida, Oregon, and Washington. The authors, Samuel R. Staley and Leonard C. Gilroy, found that housing prices in these states' metropolitan areas increased faster than personal income and economic growth during the 1990s -- a widespread trend noticeable in most states, including those with weak regulatory regimes. The study included a chart showing the rise in housing prices as Washington counties began planning under the GMA, implying a direct relationship between the two trends. The report concluded that the increase of 15.1 percent in housing prices "could be attributed to planning through the GMA," (Staley and Gilroy, p. 21) although the report added that the results of the analysis did not control for other factors.

The study went on to cite a number of conclusions from a regression analysis of variables affecting housing prices. The basic finding was that counties with higher densities and faster-rising incomes (basically those in the Seattle-Tacoma metropolitan area) tended to experience higher home-price escalation than found in other counties, a finding not surprising for a rapidly growing urban area.

An analysis of "The Effects of Florida's Growth Management Act on Housing Affordability," published in 2003, concludes that growth management in Florida has reduced housing affordability "in a statistically significant manner." However, author Jerry Anthony adds that the rapid growth of population, not just the effects of Florida's GMA, is a significant reason for the state's affordable housing crisis. Furthermore, says Anthony, the failure of the GMA to ensure housing affordability is not a reason to repeal the act. "GMA-mandated planning," he says, "has brought about a dramatic shift in the local development environment." By requiring local development to be conducted systematically and comprehensively, the GMA "has helped institutionalize a decision-making framework that aims to strike a balance between natural and urban environments with a view to maximizing long-term benefits to society from both" (Anthony, p. 290). Where it has failed, he says, is in implementing a balanced approach that values housing affordability as well as other goals.

The argument over the effects of growth management on housing prices is well represented in a new publication from the Brookings Institution, *Growth Management and Affordable Housing*, edited by Anthony Downs. One of the chapters, by Arthur Nelson and others, explores the academic evidence of the link between growth management and housing affordability. The authors conclude, after analyzing dozens of studies, that “both traditional land use policies and growth management policies can raise the price of housing, either by raising costs of development or restricting supply relative to demand” (Nelson, et. al. p. 154). Nelson argues that such policies can be expected to raise prices since they are intended to confer value on development through improvements in public facility efficiencies, conservation of natural lands, imposition of safe and healthy building standards, and other aspects of development. The authors emphasize, however, that “market demand, not land constraints, is the primary determinant of housing prices (Nelson, et. al. p. 153). William A. Fischel’s commentary on Nelson, et al’s analysis points out what some critics of Washington’s GMA contend: that while growth management programs may be intended to offset regulatory constraints on development outside growth boundaries by promoting higher density within boundaries, that goal may be subverted by exclusionary practices of local governments (for example, by their continuing to zone for low densities), thus worsening housing price inflation effects of growth management.

Price inflation induced by growth management is especially noticeable in regions where households have little recourse to avoid growth controls by moving to other jurisdictions. A classic comparative analysis by John Landis compared the housing price effects of seven “growth control” cities in California with similar cities nearby that had not adopted stringent growth controls. It showed that growth control measures (in most cases, absolute limits on building permits issued per year) only slightly restrained population growth and housing development. As for the effect on housing prices, Landis found that median single-family home prices rose no faster or higher in cities with growth controls than in pro-growth cities. “Indeed,” he wrote, “by the end of the 1980s, housing was more affordable in some of the growth control cities than in their corresponding comparison cities” (Landis, p. 506). He goes on to make the point -- significant for all such studies -- that controls quite possibly might have affected new homes and existing homes differently, pushed up prices in some neighborhoods but not others, or affected the various housing quality segments differently.

Why did controls not unduly escalate home prices? Landis concludes that (1) controls as implemented might not be very effective; (2) other nearby communities could have received spillover from controlled communities; (3) the price effects of local growth controls may be quite small in relation to other region-wide forces affecting housing prices. In other words, growth management regulations are neither necessarily nor solely to blame for rising housing prices.

A paper presented at a 2004 conference on regulatory barriers to affordable housing, sponsored by the U.S. Department of Housing and Urban Development, complained that studies of the effects of regulation on housing supply and pricing have been less than satisfactory. The paper summed up the problem this way:

Informed public debate concerning the issue of regulatory barriers to housing development is impeded both by the lack of precision concerning the concept of “regulatory barriers” and the absence of sophisticated research on the impact of regulations on the supply and cost of housing (Schill, p.2).

While acknowledging that a wide range of regulations can affect housing supply and costs, Schill remarks that many can be justified as necessary to promote public health and safety and others, by generating amenities, actually increase housing value and demand. Current studies, he says, “either ignore entire categories of relevant rules or employ methodologies that are not well designed to separate out the independent effects on demand and supply” (Id.).

What can local jurisdictions do to alleviate housing costs? Cities have been fighting the housing affordability battle for many years and have found that only an aggressive policy stance implemented through proactive programs can make a difference. Vancouver’s housing element proposes affordability policies that include innovative regulations and practices, more secure funding mechanisms, improvement of the existing housing stock, inclusionary programs to generate affordable units in new subdivisions, siting of higher-density units within centers and corridors near public transportation, and facilitating public/private/non-profit partnerships to produce housing. All these proposals are helpful as far as they go but it is unclear when they will be adopted, when they will take effect, and when they will actually produce units.

In evaluating the impact of the GMA on housing affordability, 1000 Friends concluded that while jurisdictions generally have done well in adopting housing elements, fewer have taken steps to ensure production of a full range of housing types and densities to accommodate housing choices suitable for a range of household incomes. The organization proposes that countywide planning policies establish targets for affordable housing production and requirements for jurisdictions to plan for a fair share of affordable housing development. A dedicated local source of funding, provision of adequate infrastructure and amenities in areas suitable for affordable housing, and incentives to stimulate performance also can help to meet targets.

5. Community Opposition: Throughout the United States, public opposition to individual development projects is a fact of life. Citizens in Washington expect to participate in public decision making about community development and their opinions carry great weight. The GMA was framed to focus their attention on community growth strategies incorporated in comprehensive plans and other policy decisions. Effective planning processes can engage citizens in deliberating over policy decisions that provide a framework for subsequent consideration of specific projects. Projects that adhere to the goals and policies of adopted plans stand a much better chance of gaining acceptance than those that require plan or zoning amendments. In addition, the tools available through GMA – such as concurrency requirements, impact fees, and upfront environmental reviews – allow local governments to specify conditions to alleviate impacts of proposed projects. Also, the consolidated local project review process, the

120-day target for local project reviews, and use of hearing examiners allow a more predictable and defensible permitting process.

Some consider the growth management hearings boards an obstacle to predictable decisions on projects, but over the years the decisions of hearings boards have helped to shape the criteria and define responsible practices by which projects should be measured for adherence to GMA requirements.

Even in the most structured permitting environment, however, opposition to specific projects can be strong and prolonged. Housing development with densities higher than surrounding residential development, with the underlying possibility of bringing “different” neighbors to the area, is almost a sure-fire initiator of controversy. Often this perception leads local officials to cut back on the very project attributes (such as urban density) sought by GMA goals. Indeed, this is one of the most significant obstacles to meeting GMA housing goals. In the end, only continuous involvement and education of the citizenry can provide for a more balanced consideration of project pros and cons. The GMA requirement for grappling with housing needs as part of the routine updating of comprehensive plans and designation of urban growth areas provides a means of making housing, including affordable housing, a serious topic of community discussion and action.

6. Other Factors: Three additional factors have a considerable effect on jurisdictions’ capability to accommodate development are the requirements for transportation concurrency, for adequate public facilities in urban growth areas, and for adherence to the requirements of the State Environmental Policy Act. Elected officials know that their constituents are unhappy with travel congestion and current funding needs for upgraded public facilities. Many members of the development industry remain frustrated by application of environmental requirements. Many residents of the state doubt that state actions and local plans are satisfactorily addressing solutions to these issues.

a. *Transportation concurrency:* Both Florida's and Washington's state growth management acts require transportation concurrency. And in both states the policy has been difficult to carry out. Demonstrating the adequacy of transportation facilities to support proposed development before issuing permits seems a straightforward requirement that makes sense. Florida found otherwise – the policy’s unforeseen consequences have plagued state/local relationships for years -- and now Washington is discovering the mysteries of making it work. In both states, the provision threatens to shut down development in congested, built-up areas where infill development may be feasible and desirable. It tends to propel development to rural areas where country roads appear to have plenty of capacity. Also, local planners point out that most overcrowded roads are state highways exempted from the requirement and under state rather than local control. (Florida’s initial refusal to raise expenditures for state road improvements to meet concurrency needs raised the ire of local officials for that reason.) Consequently, in both states, planners have crafted inventive redefinitions of levels-of-service measures that can allow development to proceed. Subsequently, legislators have modified the concurrency requirement to soften its sting.

The concurrency issue is not a new experience. Montgomery County, Maryland, adopted an innovative adequate public facilities program in 1973 that included requirements for transportation to provide adequate service for new development. Strictly applied, the requirement resulted in development moratoria in a number of growing areas. But the County found in the 1990s that the policy was shutting down development in many Metrorail station areas, precisely where the County plan was promoting high-density transit-oriented projects. Since then, the County has tried out various standards and programs to allow development of transit-oriented and affordable housing projects but, after 31 years, is still wrestling with making the policy workable.

Locally, in Pierce County, the publication of U.S. Census figures showing that workers' average commute times increased by 17 percent during the 1990s stimulated intensive thinking about transportation problems. One regional agency forecast that 70 percent of County roads will be congested during afternoon rush hours by 2030. The County's concurrency program has been managed in a way that seldom if ever prevented a development from obtaining approval due to projected traffic generation. One reason is that the county has measured traffic impacts by evaluating the effects of project-generated trips over groups of roads, thereby masking potential congestion problems on particular roads and at specific intersections. Also, the roads included in the evaluation included state highways not under county jurisdiction. According to traffic evaluations covering 75 roadways in the county in 2002, six roadways were over capacity limits but no projects were prohibited from development due to the averaging system.

The 2003 comprehensive plan text amendments included significant changes to Pierce County's concurrency requirements. The County now is evaluating congestion on individual roads instead of averaging over several, raising the distinct possibility of the County having to turn down development proposals unless the County (or the developers involved) agrees to commit funding for road improvements. No one knows where the money will come from to do that. Plus the concurrency requirement does not take into account developments within cities that generate traffic on county roads.

It is worth noting that another option to limit increases in congestion is greater use of transit and other non-car travel. The GMA goal of compact urban development, if realized, could make transit use more popular, convenient, and affordable. Pierce Transit and Sound Transit provide or are planning to expand transit service, but the intensity of transit use will depend on the extent of transit-oriented development that takes place. But in this area, mixed-use development clustered at medium to high density within a quarter mile of transit service is a relatively rare form of development.

Concurrency's kinks remain to be worked out. An exhaustive Puget Sound Regional Council assessment of concurrency as practiced in Washington found that jurisdictions are using it "cautiously," essentially not applying it as fully as possible to coordinate land use and transportation. The report concluded that significant changes continued to be needed to make concurrency programs effective. The Regional Council recommended a

greater focus on applications of concurrency to recognize multi-modal forms of travel and better coordination among jurisdictions' programs and practices.

b. Public capital facilities: One GMA goal that many Washington communities have not adequately addressed is provision of public capital facilities, although all comprehensive plans must include a capital facility element. According to the GMA, jurisdictions should ensure the provision of needed infrastructure to serve planned new development and, lacking that, should not approve additional development in inadequately served areas. Although this policy has not been strictly applied to foreclose proposed projects, it remains an ongoing concern in the development industry. A greater concern is that, in many areas, strict application of the policy would close down development in many areas, making moot the projections of population and economic growth, the realization of planned densities, and the designation of planned urban growth areas adopted by counties and cities.

In addition to transportation, sewer, water, and drainage systems, schools, parks, libraries, and similar facilities must be provided to support developing areas and need regular infusions of funding for their construction. Washington does not currently have a statewide system for tracking infrastructure needs, but a 1999 study of state infrastructure needs for 1998 through 2003 found that needs exceeded funding capacity by over \$3 billion. Local infrastructure funding is handicapped by the sluggish economy and several citizen initiatives that have cut or capped taxing authority. In the absence of adequate funding, local governments often gather only partial information on needs based on perceived facility crises. Furthermore, neither state nor local governments do a good job in projecting funding requirements and resources. The bottom line is that despite the GMA's clear mandate that communities should provide for adequate public facilities to accommodate growth, local plans and funding programs appear to fall short of providing for capital facility improvements to support projected growth.

One apparent result is that cities are slow to annex urbanizing areas. Annexation requires a commitment to providing urban services. This concept is a keystone of the UGA process of identifying future urban areas adjoining existing cities and expecting the cities to extend services to developing areas and to annex territory as it becomes urbanized. Yet with the current shortage of funds for infrastructure improvements, cities are postponing annexation. The new state study of annexations under the GMA finds that ten or more years after UGA designations in the six counties completing buildable land studies, less than half of the unincorporated UGA areas have been annexed, leaving more than 870,000 residents living in 245,000 acres of unincorporated land outside city limits.

Pierce County, like most others, is having difficulty keeping up with demands for facility improvements. Local jurisdictions in Washington are hobbled by legislative referenda that limit increases in revenue sources. To address this problem, the CTED has urged communities to prepare more effective capital facility elements in their comprehensive plans to be completed by the end of 2004. CTED is testing a capital improvements programming model that could clarify the process for use by small jurisdictions. Larger counties and cities focus considerable attention on capital improvements programs and

are increasing requirements for developer contributions such as impact fees to provide development-related improvements. But Washington jurisdictions, like most across the nation, find it increasingly difficult to plan and fund all infrastructure needs as development occurs, in large part due to voter apathy or outright opposition to raising the necessary revenues.

c. SEPA and GMA: For many years, developers and builders were forced to process applications for public approval of proposed projects through a two-track system, one established by the State Environmental Protection Act (SEPA) and the newer process established by the Growth Management Act. Often projects were subjected to lengthy conflicts over site designs and environmental mitigation measures; many developers believed that SEPA rules were used to delay or stop projects or to exact concessions or money from developers to drop appeals. To help resolve this problem, the state adopted a Regulatory Reform Act in 1995 that allows jurisdictions subject to GMA requirements to conduct an EIS during preparation of comprehensive or subarea plans. Subsequently, the local government can determine that requirements for environmental analysis, protection, and mitigation measures that were adopted as part of the comprehensive or subarea plan or implementing regulations provide adequate analysis of and mitigation for specific adverse environmental impacts.

The intent was to cut costs, improve predictability, and smooth the path of planned projects through the approval process by the advance analysis and determination of protection and/or mitigation measures. County plans today usually include or reference an EIS for such purposes, thus reducing developer costs for environmental analysis and reducing threats from the SEPA appeal process, which could be lengthy and convoluted.

However, many developers and builders remain unhappy with the integrated process. One problem is that it is not integrated at the project level. Comprehensive plans incorporate goals and policies that may or may not be implemented, so that the EIS conducted when a comprehensive plan is adopted may be almost irrelevant for a particular tract of land a developer wishes to develop. Another problem is that “the best available science” for protecting sensitive environments may be unsuitable for application to areas intended for urban development. The current tendency for agencies to require stream buffers of 100 feet or more is an example. Environmental agencies continue to impose protective requirements that increase rather than reduce urban sprawl. One REALTOR commented that “the law may have changed but the [environmental] culture didn’t.”

Yet another problem is the easy access to appeals that remains a thorn in the side of developers, who may win one decision only to be hauled into another court by an appeal brought by still another aggrieved person. Says Sandy Mackie, an attorney based in Olympia, “the short answer is that at the macro scale [of the comprehensive plan] the SEPA/GMA integration is working but at the micro, project-level scale it isn’t.”

Observations and Conclusions

This evaluation has roamed broadly over the conceptual and regulatory territory laid out by the GMA. The study is not intended as a full-fledged analysis of all facets of the GMA and its implementation by local governments, a mighty task indeed. What the evaluation has shown, however, is that the GMA is causing counties and cities to get serious about planning for growth, to analyze and harness the dynamics of development to create better communities, and to treat rural and natural areas as assets worth preserving. In the opening paragraphs of this report, the GMA and its implementation are characterized as a work in progress, functioning very much in an experimental mode in which local governments are exploring the usefulness of various practices to achieve the goals and policies of the GMA. Therefore, results tend to be short of ideal, partial rather than complete victories, and emanating from an uncertain and ever-changing mix of inputs.

Michael J. McCormick, once head of the state's growth management office and now a planning consultant, agrees that the program is in mid-stream, still struggling to find a steady course. While he believes that the GMA has proven valuable in directing the state's growth, he notes that the bottom-up nature of GMA administration allows for considerable variation in approaches and effectiveness among local jurisdictions. But this has become more problematic in the second round of comprehensive plan updates, in which the CTED and various interest groups are becoming more emphatic about local policy determinations. McCormick underlines the effects on local policies of voter concerns about matters such as higher density development and funding infrastructure improvements. Meanwhile, he confirms, environmental and neighborhood groups have become quite sophisticated about ways and means of achieving their goals.

Clearly, any evaluation of the GMA's implementation process is more a snapshot in an unfolding story than a panorama of a completed epic.

What to conclude from the story to this point? From the conversations and interviews, a close reading of parts of studies and the local plans, a selective review of the state laws and hearings boards decisions, several days of viewing Washington's urban landscape, and some scholarly snooping in the literature, a few observations can be gleaned – not all totally original – that might provide liftoff for serious consideration of improving GMA implementation.

1. A Worthy Start: The 14 years since the GMA was enacted have been productive. The initial confusion over just what the law would require was quickly resolved and local governments soon began initiating or reformulating plans to meet GMA provisions. Meanwhile, the state was inventing an administrative apparatus and conceptual framework to guide local activities in support of GMA goals.

The results began appearing in 1994 in the form of newly adopted comprehensive plans and development regulations. The state agency put in motion a review and comment procedure and published a series of helpful guidebooks. The growth management hearings boards were appointed and began hearing appeals of local planning decisions. A

few short years later six counties were instructed to prepare Buildable Land studies and the second round of revised comprehensive plans and development regulations was initiated. After a flurry of state comments on individual plan elements (and as this report was being prepared), the final local plans began rolling into CTED. Examining this process, it was clear that local officials, staff planners, special interest groups, and the general citizenry regarded implementation of the GMA as a serious and important process that would yield positive results for the state and for their communities. These responsibilities were not lightly regarded; they involved time, effort, and constructive imagination. At the same time, everyone involved knows that more work needs to be done.

2. Getting the Math Right: The central question raised by the GMA is whether Washington jurisdictions can bring off the complex balancing act of matching local planning and regulatory practices to GMA goals. The GMA causes them to put forces in play to direct growth to certain areas while steering it away from others. The concept of defining urban growth areas, like many growth management techniques, seems easy at the outset and more difficult as designations proceed. The process demands breathtaking leaps of faith in making 20-year projections and undertaking intricate calculations of probable household sizes and development densities, brewed together with virtually faith-based assumptions about land and development market behavior – surely as mercurial as the stock market. Factor into this equation the timely provision of the infrastructure necessary to support growth (and to avoid concurrency shutdowns) and a political willingness to zone for smart growth rather than non-growth, and the concept tends to lose focus. No political entity will get it all right all the time, and most of Washington’s local governments are still in the early phases of the learning curve about what policies and regulations really work. The Buildable Lands Study conducted by six counties was eye-opening, not because it appeared to prove that developable land was plentiful but, because the admirable transparency of the process demonstrated the fragile foundation underlying most of the findings.

The six counties involved are generally considered the most capable of digging up the numbers and doing the math. The planners and consultants most likely did the best with what data they had. But next time around, together with other counties venturing into this arcane science for the first time, the state and its local jurisdictions should strive to improve the data and methodologies they use. They might even consider working up some “what-ifs” of variations in population growth rates or densities to test the significance of their projections and conclusions.

3. Moving from Paper Flow to Performance Evaluations: CTED receives an enormous amount of paperwork from local jurisdictions. Officially, CTED must be notified 60 days in advance of a local GMA action and 10 days after it. In 2002, the Growth Management Services (GMS) staff received 990 draft and adopted GMA actions, including 614 development regulations and 288 comprehensive plan amendments. (Most jurisdictions send in individual comprehensive plan elements as they are completed, adding to the flurry of paper.) During the year, CTED reviewed 143 of the actions and communicated comments sent to the local governments involved. (CTED also meets with

interagency staffs, reviews legislative bills, oversees the Buildable Lands Program, distributes planning grants, administers a GIS and several other technical assistance programs, publishes local assistance materials, and organizes workshops and conferences.)

Besides publishing an excellent series of technical assistance bulletins and quarterly newsletters, CTED commissions or prepares evaluations of specific issues or programs from time to time. The 2002 report summarizing the findings of the Buildable Lands Program is an example. While CTED's GMS staff should continue to review and comment on local plans and ordinances, it might pay more attention to the comparative qualities and on-the-ground results of local approaches to implementing GMA goals. Some form of performance evaluations could provide useful guidance for local planning officials and heads-up notice for state officials of GMA rules gone awry. In the affordable housing area, for example, GMS could compare the outputs of local programs for affordable housing production and provide an evaluation of why certain approaches appear to be more productive than others. Reports that identify the jurisdictions that are meeting certain types of requirements and standards could generate more interest, perhaps even competition, in pursuing those requirements.

Setting up a discrete series of key indicators and/or benchmarks to measure performance – for example, proportions of approved building permits in various types of areas inside and outside UGAs – could provide an instant litmus test on how jurisdictions are meeting GMA goals. Since most jurisdictions have proven their capacity to generate comprehensive plans that respond to GMA intentions, it may be timely to institute more specific reporting of measurable progress toward GMA goals.

4. Calling State Agencies to the Plate: If local governments are to improve planning methods and analyses of policy effects, the state needs to improve its agency and funding support for what have been, for most purposes, unfunded mandates. The state, just as much as local jurisdictions, reaps benefits from better planning. The state, as well, can learn from improved reporting of the results of better local planning. And the state can profit from getting its own house in order to play the GMA game. The GMA prompts state agencies to cooperate with local governments: “State agencies shall comply with the local comprehensive plans and development regulations....” (RCW 36.70A.103) and state agencies have issued brave statements from time to time to prove their respect for GMA goals. But state agency recognition and support for local policies, plans, and regulations produced under the GMA rules has been spotty at best, a bitter pill for local officials to swallow in the circumstances.

The recent cutoff of state funds for continued county monitoring of buildable land supply is a case in point. Monitoring land supply would produce precisely the kind of performance indicators needed to assure the effectiveness of GMA requirements but the state “indicator of interest” in the process seems to be nil. State funding should be restored not only for monitoring but for initiating Buildable Land studies in all counties undergoing significant growth and for helping to construct the data base required for factual analysis.

5. Accommodating Housing Needs: The economic development so sought after by Washington’s public officials will increase already substantial needs for housing a full range of households. It is vitally important that the GMA process not present obstacles to throttle housing production, including misapplication of concurrency requirements, funding cutbacks for providing adequate infrastructure to serve developing areas, excessive requirements for protection of critical lands, and local governmental reluctance to zone for adequate land supply and higher-density housing. Henry W. McGee, Jr., writing in the *Washington University Journal of Law & Policy*, concludes that the state GMA’s housing goal “remains a destination without the barest directions to achieve its objective” and, furthermore, the affordable housing goal “is inefficient and ineffective” (McGee, p. 546). The CTED can do more to prompt local jurisdictions to become proactive in programming infrastructure improvements and affordable housing production. The Washington Association of REALTORS proposed some years ago that jurisdictions be required to set housing targets to enable measurement of progress toward housing goals. Housing targets are also recommended by 1000 Friends of Washington, in addition to some form of “fair share” allocation process within housing market areas. State provisions could promote a zoning “override” procedure such as that in Massachusetts to allow production of affordable housing in jurisdictions ignoring housing needs for all economic levels.

More fundamentally, CTED and other state agencies concerned with housing supply need to examine how to proactively support housing production through market processes and public programs, both within cities and in unincorporated UGAs. This calls for tracking housing development opportunities from the supply of developable sites and infrastructure provision to financing and permit approval procedures and actual construction in every jurisdiction. As stated in the next observation, the state should be focusing on building livable communities and neighborhoods rather than fixating on one element or another.

6. Refocusing on Key Elements: Now that local jurisdictions are well into the second round of writing comprehensive plans that cover all the GMA elements, it is time to prod them to move past a checklist mentality to focus more broadly on strengthening relationships between the key elements of community development. Much of the political commotion to date over GMA requirements has revolved around *where* urban growth should or should not take place – the establishment and expansion of UGAs and the reduction of development in rural and natural areas. These are important concerns. A recent Brookings Institution study by Mark Muro and Robert Puentes makes the case that the compact development patterns promoted by the GMA could save taxpayers money and improve overall regional economic performance. The study’s review of the literature on the benefits of urban form finds that rational use of more compact development patterns promises to reduce costs of providing public infrastructure and delivering services. In addition, regional productivity and overall economic performance may be improved to the extent that compact development fosters dense labor markets, vibrant urban centers, efficient transportation system, and high place-making qualities.

However, the administration of the GMA to date has seemed to give comparatively short shrift to the *qualities* of community development – that is, matters such as the extent to which urban services are being adequately supplied to growing areas; how housing production is matching household formation, other demographic trends, housing price targets; the success of efforts to stimulate development of mixed-use and pedestrian-friendly activity centers; and whether green infrastructure systems are evolving within developing areas. More time and attention to operationalizing the goals is needed.

Having spent considerable time and effort on preserving rural and natural lands *outside* UGAs, perhaps jurisdictions can focus more attention on the quality of living and working environments *within* UGAs.

That could take place over the next few years as local governments re-think and reconfigure housing, economic development, transportation, and other elements of comprehensive plans. In that process, they can begin to weave key aspects of these elements together to form a more integrated whole. Across the nation, for example, local officials, planners, and citizens are becoming increasingly aware of the importance of “urbane” design – of homes and home clusters, of neighborhoods, of activity centers, of cities. The revival of attention to integrated design of urban places necessitates a new understanding of holistic approaches to urban development that cut across the GMA-defined elements of planning. That kind of thinking and planning and acting can become a valuable central theme for the next phase of the GMA evolution.

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