

THE GRISTLE

'MISSING MIDDLE' STILL MISSING: What if your city sacrificed everything in pursuit of urban density and affordable housing, and in the end did not even get the affordable housing?

After two decades in aggressive pursuit of infill goals, Bellingham has amassed a portfolio of architecturally dismal student bloc housing along with discouragingly familiar sprawling greenfield development. And yes, there's been an increase in creative accessory dwelling units and a townhouse or two—record numbers of these have been approved and constructed since 2019. Indeed, the city has been on fire with development over the past decade, with more than 5,800 new residential units permitted since 2010, according to city records—of that number, roughly 40 percent have been permitted in the last three years alone.

How has this construction influenced affordability? Not one jot.

Bellingham is one of the most expensive housing markets in the United States, with home prices up 30.9 percent compared to the previous year. The situation is particularly dire when one compares the increase in housing costs to average incomes in Bellingham's service economy. From 2000 to 2019, median household income in Bellingham increased by 15 percent; median home prices quadrupled in the same period.

The reality is that hoary concepts like supply-and-demand factor very little into affordability, with the lion's share of modern construction driven more by speculative investment opportunity than market demand. A smart approach to affordability would be to take a significant chunk of the buildable land supply out of the hands of profit speculators. The city is doing none of that, and instead doubles down on the folly of trying to build its way out of a housing crisis.

The current system is pernicious. Private developers underbuild in the category that produces housing affordable to median incomes; and the debt service demanded by private, commercial lenders reinforces developers' fixation on high-end homes.

A great deal is being sacrificed in that pursuit:

Entire blocks of classic older homes—themselves part of the equation of affordable, entry-level housing—are being razed in pursuit of this "missing middle." Public rights of way—the subtle and spontaneous circulatory system of walkable neighborhoods—are being sold off to developers for peanuts to meet density goals. The very soul of the city is being lost, and with it a future that attempts to grapple with urban design in the face of coming climate change.

The city has no policy response to the destruction of existing neighborhoods or the loss of public rights of way—other than to welcome it. A great deal of this results from long years of Bellingham City Council abdicating their dynamic role as elected policymakers in preference for a technocratic model run by a professional class of managers and administrators. This decay has been exacerbated by a revolving door of professional developers serving on the city's Planning Commission.

In July, after a review of a land-use decision by one of those technocrats, an administrative judge, Council approved the sale and vacation of a long-treasured public right of way on Douglas Avenue near the university's south side for \$18,000. Citizens who hoped to save the native trail access at that location sought a veto from

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the mayor, a champion of Greenways. The mayor declined his veto.

Anger and outrage from the citizens who sought to save the right of way have triggered a signature campaign to place the matter as a referendum to voters in November.

In remarks to Council this week, Mayor Seth Fleetwood was dismissive of the referendum effort, but pledged an extra layer of scrutiny on future considerations of rights-of-way.

Time is short for the campaign, but the larger, longer effort may involve applying pressure on City Council to factor priorities other than density into future policy. The density they're attempting to leverage is not achieving the goals they seek. There is loss, without gain.

Two additional vacations of public rights of way were on the Council's agenda this week, so there is no time to lose for the public to try to gain authority over this issue. Time is indeed short.

As to the larger overriding matter, some effort to pull a portion of the buildable land supply out of the hands of speculators, 40th District Rep. Alex Ramel pledged this week to introduce legislation that would strengthen community land trusts.

The legislation is intended to preserve permanent affordability by helping people buy their own housing, while the land trusts purchase and hold title to the land. This allows the land trust to help homeowners grow equity in the home, but still keep housing costs below market rates. Crucially, community land trusts are governed by a board with representatives who are homeowners and members, retaining community control of the organization.

Ramel hopes to introduce legislation that makes it easier for communities to set up land trusts. This includes finding incentives for financial institutions and lenders to work with these organizations, and get county assessors to properly value the properties.

"I intend to try and support a CLT capacity-building grant to help more community land trusts get started, and help the smaller ones grow and be able to provide more homes for more people," Ramel said in an interview.

Of course, the public banking initiative that stalled in the last legislative session would help with this effort, by reducing the debt service communities must pay to commercial lenders in pursuit of public investment projects.

There's work to do, and—as always—citizens must take up the bur-