Whatcom County Comprehensive Plan

Housing Allocation Methodology:

Modify Housing for All Planning Tool (HAPT) for UGAs

and Initial Housing Unit Targets for UGAs

Prepared by: Leland Consulting Group

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Introduction

Scope

Leland Consulting Group (LCG) was retained by Whatcom County as part of a consultant team led by SCJ Alliance for work on the County's 2025 Comprehensive Plan Update. Tasks 1.4 and 1.5 of the project scope of work call for a modification of the Washington State Department of Commerce (Commerce)'s "Housing for All Planning Tool" (HAPT) to develop allocations by Urban Growth Area (UGA), rather than by City. This memo covers LCG's methodology for adjusting the HAPT tool to allocate housing unit targets by UGA and outlines the two methodologies developed by Commerce for allocating housing units by income band to jurisdictions, as well as additional information on the allocation of Permanent Supportive Housing and Emergency Housing to jurisdictions.

[NOTE: Once the County has decided on a final income band methodology, this memo will be updated to also include the methodology for the selected method]

HB 1220 and HAPT Tool

As amended by HB 1220 in 2021, the Growth Management Act now requires that local governments must "plan for and accommodate housing affordable to all economic segments of the population of the state." Per RCW 36.70A.070(2), Commerce must project housing needs including "units for moderate, low, very low and extremely low-income households and emergency housing, emergency shelters and permanent supportive housing."

Figure 1. Income Band Definitions

Income Category Used in HB 1220 Analysis	% of Area Median Income (AMI)
Extremely Low-Income	0-30% AMI
Very Low-Income	30-50% AMI
Low-Income	50-80% AMI
Moderate Income	80-120% AMI
High Income	Above 120% AMI

Source: Washington State Department of Commerce

The "Housing for All Planning Tool" (HAPT) was developed by Commerce for two tasks relating to this allocation process. First, the HAPT takes as an input the County's selected population projection for 2045 and generates a Countywide housing unit target for permanent units at each income band as well as for Emergency Housing and Permanent Supportive Housing (PSH). Income bands are defined using a percentage of the U.S. Department of Housing and Urban Development's (HUD) Area Median Income (AMI – also sometimes referred to as Median Family Income, or MFI), a standardized measure of income by County adjusted for family size that is used by HUD to determine eligibility for subsidized housing. The income categories (as a percentage of AMI) used in this analysis are shown in Figure 1 above.

Second, the tool contains two methodologies to allocate these housing unit targets by income band to each jurisdiction based on the share of new Countywide units assigned to each jurisdiction, the jurisdiction's existing stock of housing at each income level, and the overall Countywide target share of units at each income level in 2045.

Per Commerce guidance in the July 2023 guidebook "Establishing Housing Targets For Your Community,"[1] Counties may select any population target for 2045 within the OFM range of low-medium-high population projection, but once the population target is selected, they must use the Countywide housing unit target generated by the HAPT. LCG has been developing an refined range of population projections for Whatcom County, detailed in a separate memo. When the County selects a final population projection, the final housing unit target generated by the HAPT will be used. For more information on the methodology behind the HAPT's conversion of population projections to housing unit targets, see pages 27-42 of Commerce's "Establishing Housing Targets For Your Community" guidebook.

Baseline 2020 Housing Units by Income Band

The HAPT tool is pre-populated with baseline (2020) housing units for each County and City broken down by income band. In order to adjust the tool for use with UGAs, it was necessary to also determine the number and affordability level of existing units in the various cities' UGAs as well as in unincorporated UGAs and in LAMIRDS. OFM's Small Areas Estimates Program and a countywide parcel-level dataset were used to establish 2020 baseline housing units by UGA and LAMIRD.

Per p. 26 of Commerce's "Establishing Housing Targets For Your Community" guidebook, the baseline housing supply by affordability level in the HAPT was determined using HUD's Comprehensive Housing Affordability Survey (CHAS) dataset[2], which provides detailed housing data based on the US Census's American Community Survey. In order to update the baseline data for UGAs, LCG first calculated the share of units from the existing HAPT tool in each city at each income level. We then applied this same share of units at each income level to the 2020 total unit count for both the city and its associated UGA.

For unincorporated UGAs and Bellingham's UGA areas, it was necessary to obtain new data for baseline share of units by income band. CHAS data is a Census-based dataset and is therefore not readily available at UGA geographies, which are specific to the State of Washington. We compared the geographies of Whatcom County's unincorporated UGAs and Bellingham's UGA areas to existing Census Designated Places (CDPs), the most granular available CHAS geography, and found CDPs which most closely aligned with the UGA geographies. We then followed Commerce's methodology for classifying both rental and ownership unit data from the CHAS into the appropriate income bands, as detailed in the "Overview and Instructions" tab of the HAPT Excel spreadsheet.[3] Maps showing the comparison geographies of the selected CDPs and UGAs used in this analysis are shown below in Figure

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[1] https://deptofcommerce.box.com/s/chqj8wk1esnnranyb3ewzgd4w0e5ve3a
[2] https://www.huduser.gov/portal/datasets/cp.html
[3] https://deptofcommerce.box.com/s/48o8fzedzxnh63xth6aofi2jc2npcjoa

2 and a table showing 2020 baseline units by affordability level for Cities and UGAs as well as the source of the unit breakdown by income band is shown below in Figure 2.

For LAMIRDS and the area outside UGAs, the remaining housing unit breakdown by income band from the original "unincorporated areas" in the HAPT tool were used. In order to distribute these between LAMIRDS and rural areas (outside of both LAMIRDS and UGAs), the units were split based on the total unit count in LAMIRDS and in rural areas (10.2 percent and 24.3 percent, respectively).

Figure 2. Whatcom County Selected UGA and CDP Comparisons
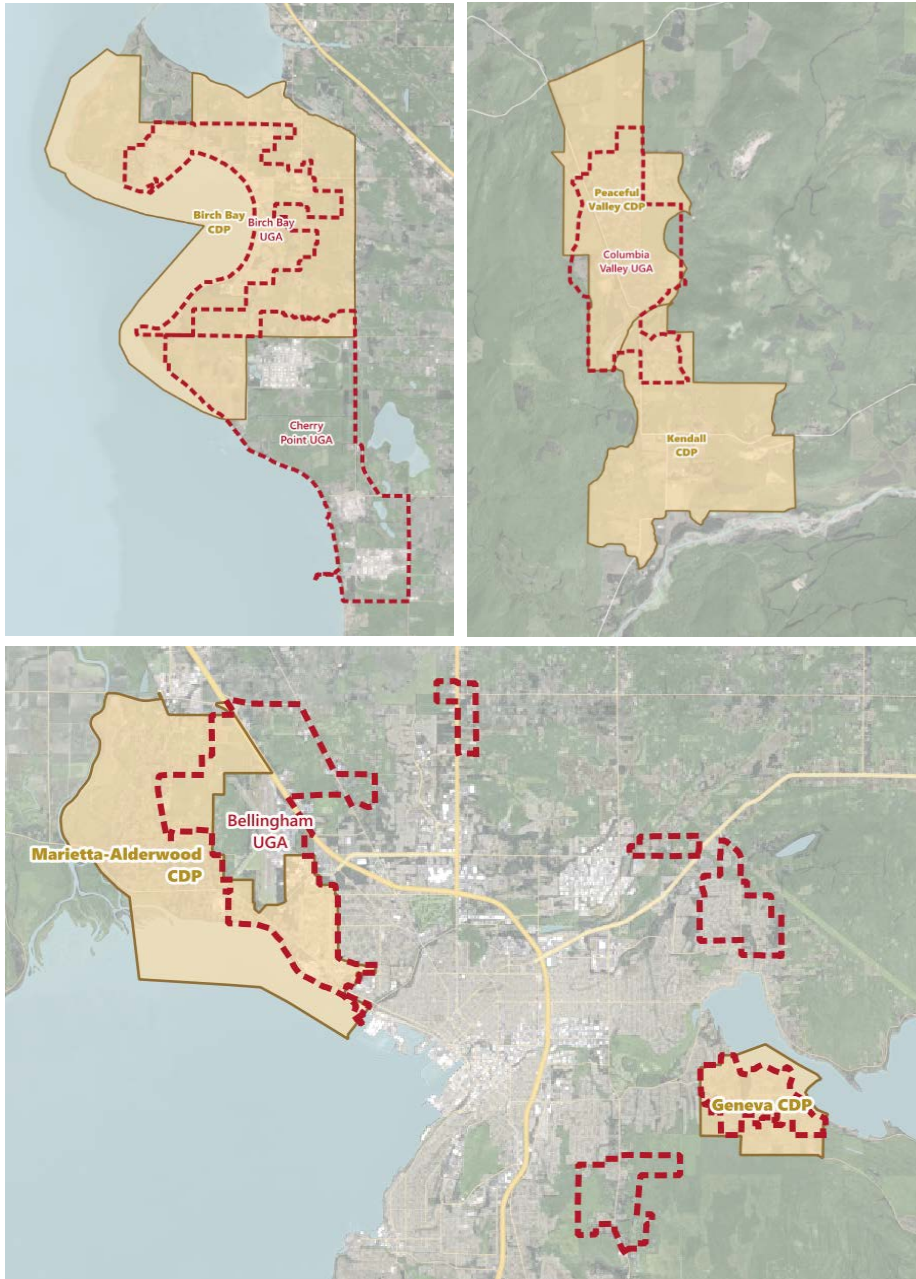
Source: U.S. Census TIGER/Line Shapefiles, Whatcom County GIS, Leland Consulting Group, MapTiler, Google

Figure 3. 2020 Baseline Housing Units by Income Band

	% of Total	Total	0-30% Non-PSH	PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing Needs	Affordability % Source
Bellingham Total	45.0%	45,244	1,196	404	3,924	15,242	6,255	5,029	13,195	693	
Bellingham City	41.1%	41,266	1,126	404	3,572	13,963	5,871	4,539	11,791	693	HAPT - Bellingham City
Bellingham Unincorporated UGA	4.0%	3,978	70	0	352	1,279	384	490	1,404	0	CHAS - Geneva CDP + Marietta-Alderwood CDP
Birch Bay Unincorporated UGA	5.2%	5,263	197	0	975	1,292	1,155	425	1,219	0	CHAS - Birch Bay CDP
Blaine Total	2.9%	2,940	169	0	246	705	263	401	1,156	0	
Blaine City	2.7%	2,744	158	0	230	658	245	374	1,079	0	HAPT - Blaine City
Blaine Unincorporated UGA	0.2%	196	11	0	16	47	18	27	77	0	HAPT - Blaine City
Cherry Point Unincorporated UGA	0.0%	6	0	0	1	1	1	0	1	0	CHAS - Birch Bay CDP
Columbia Valley Unincorporated UGA	1.5%	1,459	153	0	432	727	38	28	81	0	CHAS - Peaceful Valley CDP + Kendall CDP
Everson Total	1.0%	1,028	30	0	120	371	204	81	223	0	
Everson City	1.0%	996	29	0	116	359	198	78	216	0	HAPT - Everson City
Everson Unincorporated UGA	0.0%	32	1	0	4	12	6	3	7	0	HAPT - Everson City
Ferndale Total	5.7%	5,715	203	0	568	1,369	915	694	1,967	0	
Ferndale City	5.5%	5,553	197	0	552	1,330	889	674	1,911	0	HAPT - Ferndale City
Ferndale Unincorporated UGA	0.2%	162	6	0	16	39	26	20	56	0	HAPT - Ferndale City
Lynden Total	6.2%	6,210	76	0	328	1,235	1,175	922	2,475	0	
Lynden City	6.1%	6,156	75	0	325	1,224	1,165	914	2,453	0	HAPT - Lynden City
Lynden Unincorporated UGA	0.1%	54	1	0	3	11	10	8	22	0	HAPT - Lynden City
Nooksack Total	0.5%	514	0	0	29	150	140	51	143	0	
Nooksack City	0.5%	510	0	0	29	149	139	51	142	0	HAPT - Nooksack City
Nooksack Unincorporated UGA	0.0%	4	0	0	0	1	1	0	1	0	HAPT - Nooksack City
Sumas Total	0.7%	675	30	0	83	272	168	32	90	0	
Sumas City	0.7%	675	30	0	83	272	168	32	90	0	HAPT - Sumas City
Sumas UGA	0.0%	0	0	0	0	0	0	0	0	0	HAPT - Sumas City
LAMIRDS	9.2%	9,293	335	0	853	990	1,471	1,459	4,185	0	Remaining HAPT Unincorporated Areas less UGAs above
Rural Areas	22.0%	22,133	797	0	2,032	2,357	3,504	3,476	9,967	0	Remaining HAPT Unincorporated Areas less UGAs above
										82	
Total	100.0%	**100,480**	**2,851**	**404**	**8,738**	**23,720**	**13,819**	**11,138**	**30,517**	**693**	

Updating Baseline to 2023

After establishing the 2020 baseline units at the UGA level, the County wished to update the baseline year to 2023 in order to match the overall comprehensive planning horizon. After consultation with the Department of Commerce, this was accomplished using permit data from each UGA between Jan 1, 2021 and April 5, 2023. Each jurisdiction submitted the relevant permit data and the total units were divided into income bands based on unit type. Average rents and housing prices for apartments, middle housing (buildings of 2-8 units), and single-family units were analyzed using data from CoStar, Redfin, and Zillow. The average rents and housing prices by unit type and by UGA were then compared with WSHFC's income limits for affordable housing based on AMI. The units permitted between 2021 and 2023 were then categorized by income band using the results of this analysis and added to the 2020 totals shown above to arrive at a 2023 baseline of units by income band for each UGA, LAMIRDS, and rural areas. This breakdown is shown below.

Figure 4. 2023 Baseline Housing Units by Income Band

	% of Total	Total	0-30% Non-PSH	0-30% PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing Needs	Affordability % Source
Bellingham Total	45.3%	47,564	1,207	586	4,119	16,782	6,400	5,029	13,442	693	
Bellingham City	41.5%	43,575	1,137	586	3,767	15,503	6,016	4,539	12,027	693	HAPT - Bellingham City
Bellingham Unincorporated UGA	3.8%	3,989	70	0	352	1,279	384	490	1,415	0	CHAS - Geneva CDP + Marietta-Alderwood CDP
Birch Bay Unincorporated UGA	5.1%	5,322	197	0	975	1,292	1,155	425	1,278	0	CHAS - Birch Bay CDP
Blaine Total	3.6%	3,746	169	0	246	728	918	401	1,284	0	
Blaine City	3.4%	3,548	158	0	230	681	900	374	1,205	0	HAPT - Blaine City
Blaine Unincorporated UGA	0.2%	198	11	0	16	47	18	27	79	0	HAPT - Blaine City
Cherry Point Unincorporated UGA	0.0%	6	0	0	1	1	1	0	1	0	CHAS - Birch Bay CDP
Columbia Valley Unincorporated UGA	1.5%	1,541	153	0	432	727	38	28	163	0	CHAS - Peaceful Valley CDP + Kendall CDP
Everson Total	1.0%	1,085	30	0	120	371	207	81	277	0	
Everson City	1.0%	1,053	29	0	116	359	201	78	270	0	HAPT - Everson City
Everson Unincorporated UGA	0.0%	32	1	0	4	12	6	3	7	0	HAPT - Everson City
Ferndale Total	5.7%	5,980	203	0	568	1,385	915	694	2,216	0	
Ferndale City	5.5%	5,818	197	0	552	1,346	889	674	2,160	0	HAPT - Ferndale City
Ferndale Unincorporated UGA	0.2%	162	6	0	16	39	26	20	56	0	HAPT - Ferndale City
Lynden Total	6.3%	6,576	76	0	328	1,462	1,175	922	2,614	0	
Lynden City	6.2%	6,521	75	0	325	1,451	1,165	914	2,591	0	HAPT - Lynden City
Lynden Unincorporated UGA	0.1%	55	1	0	3	11	10	8	23	0	HAPT - Lynden City
Nooksack Total	0.5%	546	0	0	29	150	140	51	175	0	
Nooksack City	0.5%	542	0	0	29	149	139	51	174	0	HAPT - Nooksack City
Nooksack Unincorporated UGA	0.0%	4	0	0	0	1	1	0	1	0	HAPT - Nooksack City
Sumas Total	0.7%	701	30	0	83	272	168	58	90	0	
Sumas City	0.7%	701	30	0	83	272	168	58	90	0	HAPT - Sumas City
Sumas UGA	0.0%	0	0	0	0	0	0	0	0	0	HAPT - Sumas City
LAMIRDS	9.0%	9,407	335	0	853	990	1,471	1,459	4,299	12	
Area Outside UGAs and LAMIRDS	21.4%	22,410	797	0	2,032	2,369	3,508	3,476	10,228	70	Remaining HAPT Unincorporated Areas less UGAs above
Total	100.0%	**104,884**	**3,197**	**586**	**9,786**	**26,528**	**16,097**	**12,624**	**36,067**	**775**	

2045 Allocations

After establishing the updated 2023 baseline housing units by income band, the next step in the analysis was to allocate the net new units for the 2023-2045 planning period to each jurisdiction based on the expected growth in each UGA. To estimate the future share of new units, LCG calculated the share of new Countywide housing units built in each UGA over the past 10 years, as shown below in Figure 5, and used these percentages to assign the same share of target units to each UGA, thus assuming a similar rate of housing unit growth in each UGA relative to the other UGAs and to the rural areas over the next 20 years.

<mark>*[Note: The County and Cities may wish to adjust these percentages. Revised or updated methodology for total share of housing units allocated to each jurisdiction will be inserted here if so.]*</mark>

Figure 5. Whatcom County Housing Unit Growth by UGA, 2014-2023

Jurisdiction	2014 Housing Units	2023 Housing Units	Housing Unit Growth 2014 to 2023	Percentage of Countywide Growth 2014-2023
Bellingham City & UGA	41,955	47,721	5,766	**49.7%**
Birch Bay UGA	5,029	5,374	345	**3.0%**
Blaine City & UGA	2,632	3,153	521	**4.5%**
Cherry Point UGA	6	6	0	**0.0%**
Columbia Valley UGA	1,387	1,561	174	**1.5%**
Everson City & UGA	933	1,099	166	**1.4%**
Ferndale City & UGA	5,099	6,230	1,131	**9.8%**
Lynden City & UGA	5,330	6,607	1,277	**11.0%**
Nooksack City & UGA	479	551	72	**0.6%**
Sumas City & UGA	555	738	183	**1.6%**
Area Outside UGAs	29,648	31,616	1,968	**17.0%**
Total	**93,053**	**104,657**	**11,604**	

Source: Washington Office of Financial Management Small Area Estimates Program & April 1 Housing Unit Estimates, LCG

Once the total units have been allocated for each jurisdiction, the County and Cities must then assign those units to the appropriate income bands, as discussed in the introduction. The HAPT contains two suggested methodologies to accomplish this allocation. The built-in tool is only set up to provide these allocations at the City level, not by UGA. Therefore, LCG created a new spreadsheet tool which uses the same methodology as the HAPT but takes into account the share of units assigned to each UGA rather than each City, and, in the case of Method B, the existing share of units at each affordability band in each UGA. The two methodologies are briefly explained below.

Method A

Method A is the simpler of the two methods and assigns each jurisdiction the same share of net new housing need at each income level. As detailed on pages 61-63 of Commerce's "Establishing Housing Targets For Your Community" guidebook, the principles of Method A are as follows:

- *All countywide housing needs are accommodated through new housing production.*

- *Each jurisdiction is allocated their target share of the countywide growth.*

- *All jurisdictions are allocated the same percentage shares of their net new housing growth target by income level, including units for moderate, low, very low and extremely low-income households.*

- *Countywide PSH and emergency housing needs are allocated in proportion to the jurisdiction's share of countywide growth.*

The initial results of Method A are shown below in Figure 6. The upper section of the chart shows the total percentage of countywide units needed at each income band. The lower section shows the breakdown of units by income band for each UGA and for the rural areas using the same percentages. The total share of units for each jurisdiction at the left is allocated based on the past 10 years of housing unit growth in that jurisdiction as detailed above.

Figure 6. Whatcom County Draft Allocations - Method A

	% of Total	Total	0-30% Non-PSH	PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing Needs
Countywide Net New Units 2023-2045		**31,334**	8,055	3,250	6,652	2,155	1,514	2,218	7,376	520
Share of Countywide Net New Units 2023-2045	100%	26%	10%	21%	7%	5%	7%	24%	

	% of Total	Total	0-30% Non-PSH	PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing Needs
Bellingham City & UGA	49.7%	15,570	4,002	1,615	3,305	1,071	752	1,102	3,665	258
Birch Bay UGA	3.0%	931	239	97	198	64	45	66	219	15
Blaine City & UGA	4.5%	1,408	362	146	299	97	68	100	331	23
Cherry Point UGA	0.0%	0	0	0	0	0	0	0	0	0
Columbia Valley UGA	1.5%	470	121	49	100	32	23	33	111	8
Everson City & UGA	1.4%	449	115	47	95	31	22	32	106	7
Ferndale City & UGA	9.8%	3,055	785	317	649	210	148	216	719	51
Lynden City & UGA	11.0%	3,448	886	358	732	237	167	244	812	57
Nooksack City & UGA	0.6%	194	50	20	41	13	9	14	46	3
Sumas City & UGA	1.6%	495	127	51	105	34	24	35	116	8
LAMIRDs	5.7%	1,771	455	184	376	122	86	125	417	29
Area Outside UGAs and LAMIRDS	11.3%	3,543	911	367	752	244	171	251	834	59
Total	100.0%	31,334	8,055	3,250	6,652	2,155	1,514	2,218	7,376	520

Source: WA Department of Commerce, Leland Consulting Group

Method B

Method B is somewhat more complex and allocates future housing units based on the existing housing unit count by income level in each jurisdiction, with the aim for each jurisdiction to ultimately have the same level of housing supply at each income band at the end of the planning cycle. Commerce's "Establishing Housing Targets For Your Community" guidebook describes the main principles underlying Method B as follows:

- *Each jurisdiction should be planning for the same percentage share of their total housing supply at each income level by the end of the planning period. Therefore, allocations of need by income level should account for differences in baseline (2020) housing supply by affordability level. Jurisdictions that have less affordable housing in 2020 should be allocated a greater share of projected affordable housing needs.*

- *Similarly, each jurisdiction should be planning for the same percentage share of their total housing supply in PSH and emergency housing by the end of the planning period.*

- *Allocations do not assume that all net new countywide housing needs will be met only through new housing production. Instead, some jurisdictions could receive "negative" allocations for affordability levels in which they are oversupplied compared to countywide needs.*

The negative results for some jurisdictions at some income bands in this method are somewhat confusing. Per the Commerce "Establishing Housing Targets For Your Community" guidebook on pages 66-67, the negative numbers indicate that the jurisdiction "already has more than enough housing affordable at that income band for its 2045 targets" and that the jurisdiction should find ways to make some of its existing housing supply at that income band available to other income bands with a positive net need.

LCG's adjustment of the HAPT tool for Method B follows the same methodology for allocations as detailed on pages 64-67 of the Commerce "Establishing Housing Targets For Your Community" guidebook, and uses the baseline data for affordability by UGA outlined in the previous section of this memo as well as the percentages of expected growth expected in each UGA based on the past 10 years of development as discussed above, and as used in Method A. The initial draft results of Method B are shown below in Figure 7, including the calculations in the top section showing the 2045 share of total units by each income band which were used to allocate the units for each jurisdiction.

Figure 7. Whatcom County Draft Allocations – Method B

	% of Total	Total	0-30% Non-PSH	PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%
Countywide Baseline Units 2020		**100,480**	3,186	404	9,591	24,710	15,290	12,598	34,702
Countywide Net New Units 2020-2045		**35,624**	8,066	3,432	6,847	3,973	2,321	2,244	8,741
Total Countywide Units 2045		**136,104**	11,252	3,836	16,438	28,683	17,611	14,842	43,443
Share of Total Countywide Need in 2045		100%	8%	3%	12%	21%	13%	11%	32%

	% of Total	Total	0-30% Non-PSH	PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%
Bellingham City & UGA	49.7%	17,701	4,007	1,370	3,679	-1,976	1,890	1,835	6,896
Birch Bay UGA	3.0%	1,059	326	178	-212	40	-337	264	799
Blaine City & UGA	4.5%	1,600	206	128	302	252	325	94	293
Cherry Point UGA	0.0%	0	0	0	0	0	-1	0	0
Columbia Valley UGA	1.5%	535	12	56	-191	-307	220	189	555
Everson City & UGA	1.4%	511	97	43	66	-46	-5	87	268
Ferndale City & UGA	9.8%	3,474	557	259	542	568	274	308	966
Lynden City & UGA	11.0%	3,921	762	286	896	900	136	183	759
Nooksack City & UGA	0.6%	221	61	21	59	5	-45	29	91
Sumas City & UGA	1.6%	562	72	35	66	-11	-8	103	305
Area Outside UGAs	17.0%	6,042	1,965	1,056	1,640	4,550	-127	-849	-2,193
Total	100%	35,624	8,066	3,432	6,847	3,973	2,321	2,244	8,741

Source: WA Department of Commerce, Leland Consulting Group

After discussion with the City/County Planner Group and Subcommittee, the County has decided to move ahead with the basic methodology of Method A with possible adjustments as discussed below under "Method C", and not to explore Method B or related methodologies.

Method C

As noted above, the County is considering moving forward with a methodology substantially based on Method A with potential adjustments for low-income units in rural areas. Per page 88 of Commerce's "Establishing Housing Targets For Your Community" guidebook, housing units at the 50% AMI level or below are only likely to be feasible to build in the form of multifamily units. Therefore, they should not be allocated to rural areas, where multifamily housing cannot be built. The Department of Commerce has indicated that they plan to release their own "Method C" in the summer of 2024 which will also remove housing units at the 50% AMI level or below from consideration in rural areas. Whatcom County staff and members of the Subcommittee have discussed the potential of including some farmworker housing as a potential form of low-income housing in rural areas, and these discussions are ongoing.

In order to provide a framework for the potential reallocation of these lower-income units from rural areas to UGAs, LCG developed an alternative draft allocation based on Method A which removes 0-50%

AMI units from rural areas and LAMIRDS. In order to maintain the same total allocations for each UGA, LAMIRDS, and rural areas, these units were reallocated proportionally to UGAs within each income band based on that UGA's share of total countywide growth. A corresponding amount of higher-income units were also reallocated at each income band from each UGA to rural areas and LAMIRDS in the same way for income bands above 50% AMI. The results of this draft allocation are shown below. As of June 2024, the City/County Planner Group and Subcommittee are continuing to refine this approach:

Figure 8. Whatcom County Draft Allocations – Method C

	% of Total	Total	0-30% Non-PSH	PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing Needs
Bellingham City & UGA	49.7%	15,570	4,820	1,945	3,980	775	544	797	2,652	311
Birch Bay UGA	3.0%	931	288	116	238	46	33	48	159	19
Blaine City & UGA	4.5%	1,408	436	176	360	70	49	72	240	28
Cherry Point UGA	0.0%	0	0	0	0	0	0	0	0	0
Columbia Valley UGA	1.5%	470	146	59	120	23	16	24	80	9
Everson City & UGA	1.4%	449	139	56	115	22	16	23	76	9
Ferndale City & UGA	9.8%	3,055	946	382	781	152	107	156	520	61
Lynden City & UGA	11.0%	3,448	1,068	431	882	172	121	177	587	69
Nooksack City & UGA	0.6%	194	60	24	50	10	7	10	33	4
Sumas City & UGA	1.6%	495	153	62	126	25	17	25	84	10
LAMIRDs	5.7%	1,771	0	0	0	287	201	295	982	0
Rural Areas	11.3%	3,543	0	0	0	574	403	590	1,963	0
Total	100%	31,334	8,055	3,250	6,652	2,155	1,514	2,218	7,376	520

Emergency Housing and PSH

Commerce's allocations by income band contain two special categories with additional considerations: Permanent Supportive Housing (PSH) and Emergency Housing, a separate allocation for shelter beds outside of the housing targets. Commerce's 2023 "Guidance for Updating Your Housing Element"[4] defines PSH as "subsidized, leased housing for people who are experiencing homelessness or are at risk of homelessness and living with a disabling condition," and emergency housing is defined as "temporary accommodations for households who are experiencing homelessness or are at imminent risk of becoming homeless."

PSH units are included as a subcategory of units needed at the 0-30% income band level, as shown in the tables above. Emergency Housing is a separate allocation, based on a complex modeling process undertaken by Commerce to quantify the potential future homeless population and related shelter needs. The methodology for forecasting PSH and Emergency Housing needs is discussed in great detail on pages 43-58 of Commerce's "Establishing Housing Targets For Your Community" guidebook.

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[4] https://deptofcommerce.box.com/s/1d9d5l7g509r389f0mjpowh8isjpirlh

Both Method A and Method B allocate the Whatcom County total allocation for Emergency Housing in the same way as they allocate permanent units. As detailed on page 68 of Commerce's "Establishing Housing Targets For Your Community" guidebook:

Method A allocates net new emergency housing need based on each jurisdiction's percentage share of countywide housing growth. Method B allocates net new emergency housing need based on each jurisdiction's percent share of countywide target housing units in the projection year of 2045.

As with Methods A and B for permanent units, LCG used the same methodology as the HAPT tool but adjusted for UGAs rather than Cities. The results are shown below in Figure 9.

Figure 9. Whatcom County Draft Emergency Housing Allocation, Methods A and B

	Method A	Method B
Bellingham City & UGA	258	-85
Birch Bay UGA	15	57
Blaine City & UGA	23	44
Cherry Point UGA	0	0
Columbia Valley UGA	8	23
Everson City & UGA	7	15
Ferndale City & UGA	51	90
Lynden City & UGA	57	98
Nooksack City & UGA	3	7
Sumas City & UGA	8	12
LAMIRDS	29	0
Area Outside UGAs	59	260
Total	520	520

Source: WA Department of Commerce, Leland Consulting Group

Following discussion with the Whatcom County Health Department in April 2024, the Subcommittee recommended using the Method A allocation for Emergency Housing units. Key reasons for this decision presented by the Health Department included:

- Emergency shelters can serve a variety of populations and take many forms, ranging from large dormitory-style shelters down to a house in a rural area with just a few beds.
- Having shelters and housing with services distributed around the county can better serve a wide variety of needs and residents.
- Tiny Home villages can be located in rural areas and are considered to be shelter by Commerce definition
- Although logistics of operating permanent supportive housing in rural areas would be challenging with regards to transportation in particular, there may be some residents whose needs would be better served in quieter, more rural surroundings.