



Planning Commission Staff Report

To: Burlington Planning Commission

From: Brad Johnson, Community Development Director BJ

Date: October 16, 2024

Subject: 2025 Comprehensive Plan Update - Development Capacity Analysis Update

Summary

This memo outlines a process for updating the City's previous Development Capacity Analysis (DCA) and provides initial results. A more detailed analysis will be prepared for the Planning Commission's meeting on November 20, 2024. This is a preliminary draft and should not be considered a finished work product. It is being presented for review and discussion purpose only.

The previous DCA was completed in 2018 and covered a period ending in 2036. Under Washington State law, the Burlington Comprehensive Plan must be updated by June 30, 2025 and cover a 20-year period ending in 2045. The updated plan must also address current growth forecasts and allocations by showing how the City will accommodate future population, housing, and employment growth.

Under the Skagit County Countywide Planning Policies, regional growth allocations are developed by representatives from the County and each City. For the 2025 Comprehensive Plan update, Burlington must show that it can accommodate growth as follows:

- Population: 4,819 people
- Housing: 2,843 units
- Employment: 5,770 jobs

Because of changes to Washington State law, the regional growth allocations now include a breakdown of housing needs by affordability income bands. The table below provides a detailed illustration of the City's housing allocation by each affordability band.

Table 1. 2045 Housing Allocations							
Affordability Level	0-30% AMI	31-50% AMI	51-80% AMI	81-100% AMI	101-120% AMI	Above 120% AMI	Total Housing Allocation
Units	911	584	408	218	194	528	2,843

Community Development has reviewed the DCA completed in 2018, evaluated construction permitting data between 2018 and 2023, and proposed updates to the DCA to reflect current development trends and planning policies. Based on this work, it appears that Burlington will have sufficient capacity to accommodate the City’s allocation of regional growth.

Baseline Conditions

When the last DCA was completed in 2018, the City was required to plan for the following growth allocations through the year 2036:

- Population: 3,808 people
- Employment: 3,516 jobs

Although separate housing allocations were not required at the time, the City independently calculated that it would need 1,448 housing units, of which 869 (60 percent) were projected to be attached units with the remaining 579 (40 percent) being detached houses. Table 2 illustrates the results of the 2018 DCA in relation to the City’s projected growth through the year 2036.

Table 2. 2018 Development Capacity Analysis Results			
	Growth	Capacity	Surplus / (Deficit)
Population	3,808	8,476	4,668
Housing	1,448	3,220	1,772
Employment	3,516	4,055	539

The Skagit Council of Governments (SCOG) issues annual growth monitoring reports that track changes in population, employment, and housing for each city in Skagit County. Using this information it’s possible compare the surplus capacities from the 2018 DCA to current (2045) growth allocations for the purpose of evaluating the extent of the necessary changes.

Table 3. Baseline Capacity Assessment					
	2018 Capacity	Growth	Remaining Capacity	2045 Allocation	Surplus / (Deficit)
Population	8,476	1,501	6,975	4,819	2,156
Housing	3,220	508	2,712	2,843	(131)

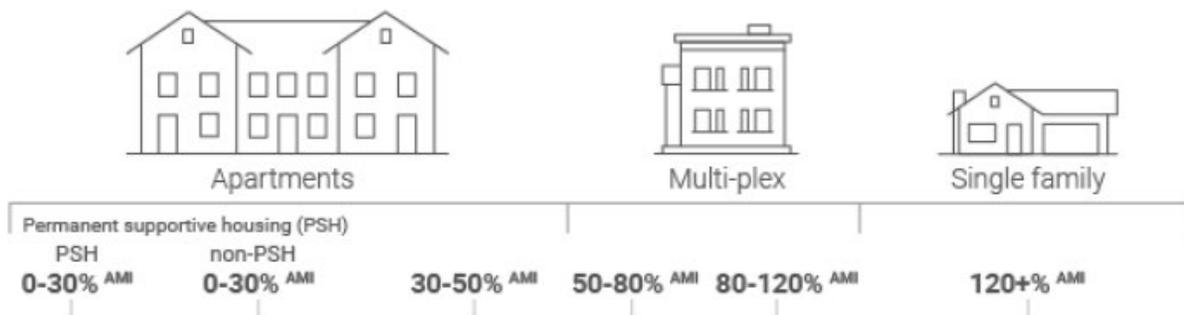
Employment	4,055	456	3,599	5,770	(2,171)
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As shown above, unless changes are made, Burlington will not have enough capacity to accommodate its housing and employment allocations. To address the City’s capacity constraints, the Community Development Department recommends that the DCA assumptions be modified to reflect observed development trends and current City codes and policies, including:

- Changing the way employment capacity is measured in the City’s mixed-use (MUC) zones.
- Increasing assumed floor-area ratios in the City’s MUC zones to match development trends or to be consistent with Comprehensive Plan goals.
- Increasing assumed residential densities in the City’s RA and MUC zones to match development trends or to be consistent with Comprehensive Plan goals.
- Revise planning policies and development regulations to ensure development occurs at expected density levels.

Housing Capacity

The City is now required to demonstrate how its housing allocation can be accommodated and must show that zoning and development regulations permit the number, and type, of housing units needed for each of the affordability bands in the allocation. The affordability bands are intended to guide planning decisions related to the number, and type, of units permitted under the City’s planning policies and development regulations. The graphic below from Department of Commerce guidelines illustrates the type of housing unit associated with each affordability band.



The 2018 DCA contains several errors related to the capacity of the MUC Comprehensive Plan designation. Specifically, the total area of the MUC zone is misstated and does not account for mapping changes made during the development of the Comprehensive Plan. Also, the DCA misstates the assumed ratio of residential and commercial development. Because the MUC designation allows both commercial and residential development, the DCA assumed that a portion of the land would include residential development, and a portion would be exclusively commercial.

The 2018 DCA indicates the ratio used was 80 percent commercial and 20 percent mixed-use. In actuality, this ratio was revised during the Comprehensive Plan development to reflect development trends. The results included in the Comprehensive Plan reflect the use of a 50/50 ratio. A review of permitting data between 2018 and 2024 suggests the 50/50 ratio may be overly conservative. The permitting data includes ten major projects in the MUC designation, only two of which were exclusively commercial. A total of 20.22 acres of MUC land has been developed or redeveloped since 2018. Of this total, 12.48 acres was used for mixed use developments, 6.06 acres was used for residential development, and 1.68 acres was used for commercial development. Based on these number the following ratios should be considered for the updated DCA:

- Mixed-Use: 60 percent
- Residential: 30 percent
- Commercial: 10 percent

Since 2018, residential development has generally occurred at densities higher than those envisioned in the DCA. For MUC designations, the average density of residential development permitted or completed since 2018 was 35 dwelling units per gross acre (du/ac). The MUC designation includes two zones, MUC-1 and MUC-2. However, densities have varied dramatically from site to site, with the lowest achieved density being 13 du/ac, and the highest being 72 du/ac.

Generally, larger-scale developments have achieved higher residential densities, which is logical since these developments tend to occur on larger sites, which enable more efficient land utilization. In fact, three developments accounted for 44 percent of all the units in the MUC designation. These three developments all exceeded 40 dwellings per gross acre with a combined average of 53 du/ac. To ensure the updated DCA accurately reflects the effect of current policies and regulations, consideration should be given to adopting a low range assumption and a high range assumption as follows:

- Low range mixed-use density assumption: 35 du/ac
- High range mixed-use density assumption 50 du/ac

The density assumption originally applied to the RA Comprehensive Plan designation was 25 du/ac. Permit data indicates the average achieved density in the RA Comprehensive Plan designation was 24 du/ac, with the highest achieved density being 51 du/ac and the lowest being 13 du/ac. This designation is intended to accommodate a wide variety of housing types, including townhomes and small apartment buildings. Based on the Comprehensive Plan goals for this designation and the permitting data, the existing density assumption should not be changed.

Table 4. Residential Capacity					
Comp Plan Designation	Allowed Housing Types	Income Band (% Area Median Income)	Land Available 2018	Land Remaining 2024	Capacity (housing units)
MUC	Large multiunit	0-100% AMI	112 acres	101 acres	3,182 / 4,545
CI	NA	NA	NA	NA	NA
RA/MUR	Horizontally attached, small multiunit and large multiunit	0-120% AMI	23 acres	21 acres	428
RD	Detached	>120% AMI	NA	NA	1,140
Total					4,750/6,113

Employment Capacity

Calculating the City’s employment capacity is more difficult and considerably less precise than calculating residential capacity. The number of people employed per acre can vary dramatically from one parcel to another. For example, commercial storage buildings may employ very few people but occupy several acres of land, while office buildings typically concentrate a large number of employees in small amount of space. Employment capacity calculations are further complicated by a lack of data. Employment data is usually obtained from the Washington State Employment Security Department; however, this data is suppressed for privacy reasons and subject to reporting errors.

When the 2018 DCA was completed, employment densities were calculated on the basis of the number of employees per acre. While this approach can work well when applied to the development of vacant land, it is problematic when applied to infill development. As explained above, different economic sectors have different employment densities. Employment densities can even change at an existing business in response to economic conditions without a corresponding change to buildings (hiring and layoffs). Employment changes are not directly tied to development in the same way that population and housing need are.

Given these difficulties, and the City’s approach to accommodating growth through infill, redevelopment, and intensification, it may no longer be appropriate to calculate employment densities on the basis of employees per acre. Instead, an approach that considers the number of square feet of building space per employee should be used. This approach will allow the city to estimate future floor area ratios and make assumptions about the maximum number of employees that can be accommodated.

By 2045 total employment in the City is expected to grow by 5,770. In order to calculate future land needs, assumptions must be made about the relative composition of the future workforce based on different economic classifications. For example, the percentage of the future workforce comprised of healthcare workers as opposed to retail or warehouse workers. To estimate the future composition of the workforce, the percentage share from the employment sector forecasts in the Comprehensive Plan were applied Burlington’s 2045 employment allocation. The results are shown below in Table 5.

Table 5. Future Employment by Sector				
Sector	Percentage of all Employment		Comprehensive Plan Designation	Jobs
Retail	45%	73%	MUC/MUR-1	4,212
FIRES	18%			
Healthcare	10%			
Manufacturing	5%	19%	CI/MUR-2	1,096
WTCU	13.42%			
Government	0%	8%	PFT	462
Education	8%			
Total				5,770

Table 6. Employment Capacity		
Comprehensive Plan Designation	Employment Capacity	
	High Range¹	Low Range
MUC	5,133 ⁽¹⁾	3,850 ⁽²⁾
CI	1,094 ⁽³⁾	875 ⁽⁴⁾
RA/MUR	NA	NA
RD	NA	NA
Total	6,227	4,725

Notes: (1) & (2) – MUC assumptions based on 70.7 acres of land being develop at 0.5 FAR; (1) High range MUC designation assumes employment densities of 300 sq. ft. per employee; (2) Low range MUC designation assumes employment densities of 400 sq. ft. per employee; (3) High range industrial assumes employment densities of 10 employees per acre; (4) Assumes 8 employees per acre.

Conclusion

This memo represents a preliminary effort to assess the City's development capacity. Additional work is needed to test the assumptions used, verify calculations, and review permit and development data. In addition, this memo does not address the capacity of the City's unincorporated UGA (areas that are within the City of Burlington's UGA but outside the city's boundaries). However, it appears that all of the City's allocated development can be accommodated within the existing municipal boundaries and without major zoning changes.