

# Countywide Housing Affordability Taskforce (CHAT)

June 29, 2007

## Meeting Notes

*(\*copies of all handouts/draft reports are available at cob.org)*

**Member Names:** Seth Fleetwood Co-Chair, Terry Bornemann Co-Chair, Bob Bromley, Charlotte Eastman-Pros, Derek Long, John Shorthill, Hart Hodges, Larry West, Nancy Larsen, Roger Roosendaal, Ted Mischaikov, Jon Soine, Paul Schissler, Barbara Brenner, Don Gischer, Ralph Black, Gail de Hoog, John Harmon

**Members Absent:** Hart Hodges, Bob Bromley

**Officials/Staff Names:** Tim Douglas, Pete Kremen, Dave Cahill, Greg Aucutt, Shannon Victoria, Preston Burris, Samya Lutz, Gary Williams,

**Officials/Staff Absent:** Tim Douglas, Pete Kremen, Preston Burris

### Introductions

Terry Bornemann chaired the meeting. There were approximately 18 members of the public present. Tom Beckwith and members of his consulting team joined the group.

### 1. Approval of June 15, 2007 Notes

**Correction:** Larry West said builders have **not** been able to build existing density.

**Correction:** Barbara Brenner said instead of the statement; "LID is more expensive on the front end than standard development", it should say that LID may or may not be more expensive.

**Correction:** Derek Long and Hart Hodges were absent

Ted Michaikov commented he was concerned the statements made by the Taskforce, documented in the notes, appear to be facts. It was clarified that these notes are a documentation of the Taskforces conversation.

Terry Bornemann moved and Ralph Black seconded the approval of the June 15, 2007 notes with amendments. All in favor, motion carried unanimously.

### 2. Update on workshops/interviews

Steve Price said he anticipates the final report to be complete by the July 20<sup>th</sup> or July 27<sup>th</sup> meeting.

### 3. Housing Tools Overview Continued from 6-15-07

Tom Beckwith reviewed housing principals. The first issue is to outline variables which impact housing costs. For example, with a Land Trust, the land cost is reduced by a long term lease however other expenses don't go away. USDA programs allow for a reduction in labor costs but there is still the issue of the high cost of land. Tom said any of the tools the Taskforce will be reviewing will focus on one thing however they may be missing other elements. The Taskforce is faced with the challenge of identifying a combination of tools that reduce housing costs, which is the primary goal of the Taskforce.

Tom provided a chart that outlined the variety of types of housing consumers and the diverse housing needs that need to be met by each individual or group. Tom said in general, you can't market the same product to different consumers. He used the example of a consumer purchasing a car. Consumers purchase what they need to fit their circumstance and affordability. For example, a single person on a limited income is more likely to purchase a Smart Car versus a Hummer.

Tom said packaging is important. You can mix small single family homes with large single family homes. The packaging is similar. It is more challenging to mix the studio type housing with the large single family homes. The packaging needs to be linear.

Tom said there are exceptions to the rule. Seattle's Belltown has primarily condo type households. Some condos are three to four bedrooms. Although there are large units available, they are most likely not being purchased to house families but to provide those who can afford more space that option.

Additionally, you can't put small studios in a location without any amenities. Housing must be packaged for the user. The best approach is to offer as many choices as possible.

Samya Lutz commented there are two types of options. One based upon income and another based upon need. Each type requires different packaging.

Terry introduced Gary Reid to the Taskforce. He is replacing Roger Roosendaal.

Tom continued reviewing the housing tools

### **Shorewood Apartments – Cannon Beach, OR**

Homestead Capital a non-profit syndicator investing in affordable housing. This organization creates investment partnerships, in return these investors receive tax credits and other benefits.

### **Tierra Contenta.**

Tierra Contenta is a 501(c) (3) corporation formed by the City of Santa Fe to provide builder-ready tracts of land within a master plan mixed use, mixed income community that includes low and moderate priced housing for under-served families in Santa Fe.

Tom said the way Tierra Contenta packaged the land is a unique approach. The City intervened in the market place as a developer. Jefferson County took a similar approach. They acquired property, did the master planning, held a competitive RFP for development and were able to provide affordable housing.

### **Katrina Cottages**

Katrina housing was brought in as an alternative to the FEMA trailers brought into New Orleans following the hurricane. This form of housing is extending beyond the limits of emergency housing. These houses are now being marketed affordable stand alones for the elderly and as accessory units for in-laws. The cottages are sold with blueprints and materials. The cost is approximately \$55 a square foot not including labor costs.

Ralph mentioned once you add site preparation and land cost, the cost bumps up to approximately \$95 a square foot, which is almost market price.

Dave commented the original Katrina Cottages we located where infrastructure was already in place.

### **Cottage Houses**

The Cottage Company was one of the first companies to supply cottage housing. Currently plans are available to purchase for a variety of sized homes.

Tom said cottage type housing is a quick way to increase density.

### **Pre-Fabricated Homes**

Tom showed examples of pre-fabricated homes from Place Architects and Transform LLC. Transform LLC builds the homes entirely in a warehouse. The advantage of this type of housing is construction speed and reduction in construction cost from 5-20% less than tradition site built homes.

There was a discussion regarding pre-fabricated homes looking “poorly” built. Tom said the current market of pre-fabricated housing is better designed in many cases. In some areas, there have been design requirements that need to be met for pre-fabricated housing.

### **Channel Cove - La Conner, WA**

Channel Cove is a mixed income, mixed product project. This project combined condos, apartments and single family housing.

Tom said this project posed a challenge by mixing housing types. There was a discussion regarding how to determine who wants to live where. John Harmon said the market usually dictates the direction of housing.

Tom turned the discussion over to John Harmon, director of the Bellingham Housing Authority. John gave an overview of the Bellingham Housing Authority projects. *(Details of each project are available in the handout at cob.org)*

John explained that financing is challenging for the types of projects the Housing Authority is involved in. John explained the need and importance of section 8 vouchers, tax exempt bonds, HUD, low interest loans and grants. He emphasized the importance of all elements falling into place or the project cannot occur.

John explained these projects are front loaded with costs. Soft costs include items such as architectural fees, interest, impact fees and building permit fees. John said due to the type of funding sources, documentation is an involved necessary process. Another challenge the Housing Authority faces is getting all the lenders to agree upon terms. Along with the financial challenges, there is also the challenge of finding available land. John said they are constantly scouting out land opportunities. If land does become available, it is important they have their financing in place.

It was asked how many tax credit affordable rentals could Whatcom County do in a year. John said most likely about 50 units per year.

Steve Price noted the City of Bellingham’s contributions appear to be significant and it doesn’t appear the County is involved. He asked John if this is a problem. John said yes.

John explained public housing is their core program. This market is shifting towards more disabled people. He said this number is growing faster than the number of elderly. This includes physically and mentally disabled. John said the waiting list for public housing is over 600 people. The wait can vary depending upon housing type. John said that it can be 6 months to a year for an elderly person and 2 to 3 years for families. He indicated that people do rotate off of the list due to circumstances such as marriage, employment or other life changing events. John said turnover in housing is approximately 25-30% a year.

Another major area of housing for the Housing Authority is family housing.

Section 8 vouchers has a long waiting list. People go out and find a market rate unit and Section 8 pays a subsidy to make the unit affordable to the households. Subsidy is fixed based on a family's income. The program is very popular. Incomes of households on Section 8 are close to those in public housing. BHA is seeing more families with disabilities or not working in this type of housing.

Tom asked where the Housing Authority sees going from here. John said as far as new development they will continue with tax credits since they are a great foundation to build upon. Other sources of low interest loans and grants will be needed in the future.

Doug Starcher pointed out the Housing Authority has approximately 9% of the affordable housing units for the City of Bellingham. John wasn't sure it was quite that high. It was discussed the Taskforce needs to know the percentage of who controls or manages the affordable housing in Whatcom County.

There no public comments

The Taskforce will meet again in two weeks.

Adjourn.