

# Countywide Housing Affordability Taskforce (CHAT)

## July 27, 2007

### Meeting Notes

(Copies of all handouts/draft reports are available at cob.org)

**Members in attendance:** Seth Fleetwood, Terry Bornemann, Charlotte Eastman, Derek Long, Hart Hodges, Larry West, Nancy Larsen, Ted Mischaikov, Jon Soine, Paul Schissler, Don Gischer, Ralph Black, Gail de Hoog, John Harmon

**Members Absent:** John Shortill, Barbara Brenner, Bob Bromley

**Guests:** Tom Beckwith, Steve Price

**Staff:** Samya Lutz, Dave Cahill, Pat Fisher

Seth Fleetwood chaired the meeting. Meeting was called to order at 9:00 AM

**1. Review Meeting Notes:** Meeting notes from the 7/13/07 meeting were approved.

#### **2. Presentation by Beckwith Consulting Group:**

Steve Price provided a preliminary report on stakeholder interviews, workshops and surveys to address the needs assessment.

Tom Beckwith provided two tables that compiled data on the following categories:

#### **Affordable Housing Needs Assessment – Whatcom County**

1. Summary – Household needs by subpopulations
2. Detailed Household needs by subpopulations
3. Household/housing category

#### **Bellingham/Whatcom County Housing action Plan**

1. Goal
2. Policy/objective
3. Task

Tom described the sources of information that were used to compile the report. He noted that various forms of income are accounted for in the “income” category from the HUD data, but assets are not accounted for. He explained the usefulness of the various categories and how each would assist the taskforce in establishing targets.

The report provides blank categories to be filled in with the following information:

- Objective for the next 6 years (may need an additional category to address the life of the charge, year 2022)
- Cost/Unit
- Total cost of commitment.

An estimate of the goals from the task force is needed to complete these categories which will identify the implications of the format

Tom stated that they are currently working on the Cost/Unit. There may be two different costs, Gross Costs, using tax credits, HUD funds, etc. and Gap Costs which are funds from local sources matching the programs. His firm will work independently to complete this category during the next few weeks.

### **Open Discussion:**

Members of the CHAT and consulting team engaged in an open discussion on the affordable housing issues and the targeting of populations and resources which generated the following comments:

- Identifying cost/unit would be helpful to triage targets and to spend money in the wisest ways.
- Primary targets should be identified first.
- In the present day market, many individuals qualify for loans at 40-45% of their income. High housing costs force many individuals to purchase further out in the county.
- A question to be considered is why the percentage of income going to housing cost has gone up. Does this change reflect housing cost realities, or simply a way to make loan closings work?
- There is a point where the level of household income versus housing costs becomes a shelter issue versus home ownership. These require different forms of analysis.
- Subsidizing rental units runs the risk that households in that the situation will never acquire equity to improve their chances to move to home ownership.
- Providing shelter is an income driven analysis.
- Agencies that provide shelter have approximately 50% of clients who are elderly or disabled and their situation is not likely to change.
- The CHAT Mission Statement is to provide our strategies and programs to address the need of all people at 80% AMI and below.
- Provide a comprehensive plan to provide housing for all people in our community.
- The ability to return to the community depends a great deal on housing.
- Was the original charge of the taskforce to decide if the focus is on serving the homeless or serving those who have an income (working/"deserving" poor) and cannot purchase a house?
- Focus on different targets for different income groups, reflecting the varying definition of 'critical need'. Specifically: for the below 50% AMI income group, focus on all those spending more than 30% of income on housing; and for the 50%-80% AMI income group, focus on those spending more than 50% of income on housing.

### **Solutions:**

The open discussion generated the following possible solutions:

- Subsidize home ownership.
- Increase real estate excise taxes as revenue source.
- Community trusts and block grants
- Fund programs by dedicating part of commercial and residential real estate profits.
- Look at a more generalized approach for the solution.
- Look at reducing production overhead costs on a generalized basis.

- Focus on cost reduction measures that can be solidly tied to a reduction in housing prices.
- Identify Targets, determine unit number to meet need, reduce the cost per unit, identify the source of funds to achieve the goals.
- Changes and reductions in regulatory requirements and building costs.
- Sticking to our mission.
- Leverage local funds to bring in more funds.
- Reassess the Mission Statement to help the taskforce meet the realistic goals.
- Identify short-term goals and immediate priorities.
- Allow flexibility for innovative building designs.
- Provide incentives, reduce or subsidize fees for innovative designs and special projects.
- Keep decision makers focused on the problem.
- Reduce the time in issuing building permits.
- Reduce government delays and regulations.
- Focus on specific regulatory impediments that are cost-prohibitive for affordable housing, and ensure link to price.

### **Conclusions:**

- Continue to look at this task in a comprehensive way and identify a consistent goal that transcends all the groups that are identified in the taskforce goals.
- In terms of prioritization, the taskforce must make a decision on where they can be most effective in creating the tools.
- Prioritize the top five most effective, immediate and economical tools and make those a mandate for the decision makers to affect.

Tom Beckwith concluded by stating that a solution for resolving the selection of priorities could be by starting with a baseline cost, identify options and scenarios to focus on, establish the target, the cost, the source of funds and most effective benefits. Once this is completed the consulting firm will include this information in the form of a report that can be submitted to realtors, lender and building groups to get their input prior to final recommendations.

It was suggested that each member submit thoughts in the form of an email for integration into the report, however, Tom responded that all ideas should be vetted through the Taskforce

It was also suggested that it would help create a priority to see benefit versus cost first. It was also suggested that the Taskforce have a 4-6 hour work session in September and then take the information to the public. Tom suggests giving the Taskforce some scenarios so the Taskforce members can react to them and come up with a ranking system about how they feel about things. It was decided to defer going on the road with information until after the next meeting which is in two weeks. In the mean time members can submit emails to Seth who will reflect them in the agenda as well as get input from those who cannot make the next meeting.

Seth announced that Bob Bromley, representative for the Small Cities has resigned and suggestions for a replacement be entertained.

**Adjourn: 11:00 AM**

**NEXT MEETING: 8/10/07**