

# Countywide Housing Affordability Taskforce (CHAT)

## September 21, 2007

### Meeting Notes

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

Members Names: Seth Fleetwood, Co-Chair; Terry Bornemann, Co-Chair; Bob Mitchell; Charlotte Eastman-Pros; Derek Long; John Shorthill; Hart Hodges; Larry West; Nancy Larsen; Gary Reid; Ted Mischaikov; Jon Soine; Paul Schissler; Barbara Brenner; Don Gischer; Ralph Black; Gail de Hoog; John Harmon.

Members Absent: Terry Bornemann, Co-Chair; Charlotte Eastman-Pros; Derek Long; Nancy Larsen; Gary Reid; Barbara Brenner; Don Gischer; John Shorthill.

Staff Present: Dave Cahill and Heather Aven.

Guests: Tom Beckwith and Bill Schenkin were representing the consulting team.

Seth Fleetwood chaired the meeting. The meeting was called to order at 9:10 a.m.

#### **1. Approval of September 14, 2007 notes**

Jon Soine moved to approve the minutes with corrections made to the list of attendees. Hart Hodges seconded. **ALL AYES**

#### **2. Follow-Up Focused Group Workshops**

The focus groups met on 9-20-07 at the BIA offices. Each group was given an update on the CHAT process and asked for feedback.

The Builder/Developer group expressed concern about land availability due to the short supply and the possibility that existing buildable lots are being purchased by out of area, possibly out of country, money to hold as investments. They also are concerned about financing markets and the large equity needed in private multi-family development. Other concerns include the permit process as it relates to the cost, the time for permits, and impact fees, especially those from parks.

The Realtor/Property Mangers group expressed concern that people are required to find affordable housing in the county and then drive into the city to work. The higher cost of housing in the city is due to the cost to create housing, zone density, and parking requirements. The Realtors are trying to help people understand the size of lot is not as important as the size of house. They expressed concern that the price of houses are too expensive in the city, which is causing more people to buy in the county. When this happens it has a large impact on the traffic, watershed, and environment. The group made reference to numbers 16, 17, and 18 from the affordable housing tool list. They discussed ways to finance home loans through a structured interest rate. A structured interest rate would allow the interest rate to be lower than market rate in the beginning and higher than market rate towards the end. If there is government assistance, it will be paid back

throughout the process so that money can be available to continue funding the program. The realtor group announced that financing private multi-family currently requires 40% in equities. Migration is running 5 to 1 in favor of people from outside of the area purchasing the houses.

John Harmon described state bonds as a source of funding for affordable housing.

### **3. Update on Needs Assessment:**

Tom Beckwith stated the schedule will remain the same:

September 25, 2007 – 9:00am: Tom will meet with the Lynden small city group and deliver the materials to them. They are expected to share with Tom who they would like him to talk with, as well as, schedule a date to return and talk with them.

September 25, 2007 – 3:00pm: Tom will be meeting with county council.

October 12, 2007 – 9:00am: At the next CHAT meeting, Tom will report what took place at the small cities group meetings and talk about their reaction on the tools and the policies. He will also bring a draft of the public survey document.

Tom Beckwith stated if the schedule did not change they would be going to council in November.

### **4. “Three Discussion Point” list:**

A brainstorming session resulted in placing CHAT member’s questions / issues into the following categories: (“white board” diagram – see attachment)

1. Revenue
  - a. REET
  - b. LEVY
  - c. General Fund: trust funds, revolving capital, and countywide revenue
2. Committee and management
  - a. Trust Funds
3. Political tools
  - a. Land: land banking and RFP’s
  - b. Policies: fees, manufactured housing, mobile homes, and density/infill
  - c. Financing: land trust, impact fees, including new, rehab, and defaulting
  - d. Productivity: equitable, time, process
4. IZ
5. Target Populations
  - a. Trust Funds
6. Preservation
  - a. Oder stock
  - b. Mobile homes

There was a discussion concerning the limited amount of buildable land available due in part to land banking, which happens when land is bought and kept off the market. A

suggestion was made to check the surplus of property to see if there was any available to target for affordable housing; over the years this method has provided thousands of parcels. There also is a need to help the neighborhoods understand how “infill” can be a positive thing for them. They need to see examples of other successful projects, as well as, come to understand that if they create a village in their community, they will not have to worry about their neighborhood being developed. The point was also made that when looking for land that is available to build on, areas that can be redeveloped should also be looked at.

One solution, a Community Housing Bank, would allow for land to be purchased at a faster rate. This option would give a group of people, possibly private, the authority to fund projects as the requests were received as it relates to money, land, or gifts. There would be guidance from both councils, as well as, specified decision-making criteria. This would eliminate the need to go through the current process which is sometimes so cumbersome and time consuming, that the land is purchased / resold before the process is complete. It was discussed that this proposed solution is different from a trust fund, because it will not be the decisions will not be the responsibility of the city or county councils, and requests will be filled more than once a year.

The point was made that if we can find ways to manage money at this time, it will help to demonstrate to the public how effective this type of solution can be. It was agreed that the recommendations should be specific and possibly provide some possibilities. Seth requested that Tom come back with specific information on resources available. Tom responded that some local options would include recording fees and how they can be used in relation to REET, sales tax, and licensing fees.

There was a request made to produce information both as it relates to how it can be used if policy stays the same, and what some options are if policy is re-written.

Some members of the team would like to see some predictability put in to place for the developers. One of the areas they would like to see improvement is through the permitting process. They would like to see the process predictable, timely, and equitable. The concern was voiced that there is no where to appeal a decision once it is made by the planning staff; therefore, it was suggested that the city staff needs to have some accountability in the permitting process. It was determined that this will become one of the recommendations of CHAT.

Tom Beckwith concluded that he will return with answers to the revenue questions, and announced that although the process portion of the political tools were discussed, there are still the finance and land portions left.

Seth Fleetwood expressed the need for IZ to be discussed.

A proposal was made to bundle different tools together so that elected officials need to be able to take forward a package, since the effectiveness is greater as a group. Do not send line items that can be vetoed one by one.

**5. Next Actions:**

An additional meeting for 10/25/07 was added to the calendar. This meeting is designed to address the next 3 items.

Steve will report on the focus groups

**6. Final Comments:**