

Countywide Housing Affordability Taskforce (CHAT)

October 12, 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: Hart Hodges; John Shorthill; Nancy Larsen; Paul Schissler; Barbara Brenner; and Don Gischer.

Staff Present: Dave Cahill, Heather Aven, and Samya Lutz

Consultants: Tom Beckwith; Steve Price; and Bill Schenkin

Seth Fleetwood chaired the meeting. The meeting was called to order at 9:05 a.m.

1. Approval of October 5, 2007 notes

Ralph Black moved to approve the minutes with corrections. Jon Soine seconded. **ALL AYES. Gail wanted her “concerned” changed to “convinced that the survey was acceptable”.**

2. Report by Steve Price

Workshops: The lenders, realtors, and developers met in the BIA offices. Steve gave the participants an update on the CHAT activities, and they were interested in what CHAT was doing. David had reported on these meetings at the October 5th CHAT meeting.

Small Cities: Steve and Tom gave an update to the coordinating group representing the small cities. Additionally, Steve met with the Mayors of Sumas, Nooksack, and Everson and presented a progress report to them. The small cities seemed very interested in the work CHAT is doing, and encouraged the taskforce to identify what role the small cities might have in this project. They recognize that people who are looking for affordable housing are moving to their neighborhoods, and they are concerned about being known solely as a bedroom community. They would like to bring some upscale projects to their areas to attract people and would like to be advised as to how they can share their ideas, make recommendations, and be part of the approval process.

The group reviewed the “Tools of the Cities” spreadsheet. Steve pointed out numbers 16, 20, and 22 from the list were part of everyone’s toolkit; likewise, not one community listed IZ. Discussion around the matrix took place. It was also pointed out that some of the tools marked “yes” for Bellingham are not allowed in the City, some of the tools are not effective, and some of the tools might be better suited under another topic.

Steve stated he wanted to have the worksheet looked at as an exercise of the tools that were defined at the first workshop. The consulting team went to the different cities and asked them to identify which tools they are using and which ones they are not.

3. Review of CHAT Schedule & Deliverables

Discussion of the data listed on the spreadsheet Tom handed out. This shows the different groups in need of affordable housing, the best product for the need of each group, and the best location for the product to be built. There are also policies and tools listed by product type to show which ones would benefit the most.

It was suggested that the information contained in the matrix be transformed into pie or bar chart format when presented to the City and **County** Councils.

There was discussion in regard to ways different tools can impact the price of a home, and if that savings was being passed to the consumer. Lowering permit costs and reducing water and sewer service fees in certain circumstances were both proposed.

Inclusionary Zoning (IZ) Discussion:

Tom pointed out that the target range is typically 60 – 80% AMI, and IZ traditionally only happens when partnered with another means.

The Offsets (benefits over time): ***Number of “yes” votes during ranking session***

- Density (zoning change/ location / regulation): **9**
- Land Availability: **11**
- Fees: **9**
- Standards (size / household compatibility): **5**
- Time (regulatory reviews): **9**
- Taxes : **4**
- Feasibility (economic / financial lending) **8** (some profit versus most profit): **11**
- Developer profit: **5**
- Demand (buy off / generate) **7** (ability of buyer to get funding) **9** (income level / utility consideration) **8**
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The Location –

- Downtown: **12**
- Villages: **7**
- Everywhere: **7**
- Offsite / in lieu (site / development by public agency – what is fee based on... **who and where** will it be built?) **6**

The Product –

- Owned:
- Rented: **9**
- Size of Development: **5**
- Permanent versus Non-permanent:

Discussion in regard to the above brainstorming session took place. Ralph stated that there is a difference between mandatory and voluntary inclusionary zoning. He also pointed out that voluntary inclusionary zoning and incentive inclusionary zoning are not interchangeable. John stated that inclusionary zoning is about averaging, in other words, the low units are carried by the upper units. He also explained how California is successfully using inclusionary zoning to reduce the cost of homes. The group also talked about the need to consider the size of the project, permanent versus non-permanent housing, and builder financing when determining if IZ is an applicable tool.

Charlotte reminded the group that they do have a targeted group of people and even though each one of them will not be able to get funding – a larger number of them can be helped through the CHAT recommendations. Ted stated that the group should focus on voluntary inclusionary zoning and package it with a good aggressive revenue campaign.

There was discussion between the advantages to just paying a fee or taking the incentives to build the home. It was mentioned that cost versus revenue has to be looked since the standard of the home being built has to be high enough to peak a buyer's interest.

Tom asked the group to rank the ideas from the brainstorming session, so the consulting team could put together some scenarios and bring those results to the next meeting.

4. Summary of next meeting:

Categorize each issue as mandatory or voluntary.

5. NEXT STEP:

Next meeting will happen on 10/26/07. Continue current IZ conversation. Scenarios will be presented by the consulting team, with the end goal being a vote on the inclusionary zoning tool.

One week after that the survey tool needs to be addressed.