

# Countywide Housing Affordability Taskforce (CHAT)

## November 16, 2007

### Meeting Notes

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

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

Members Absent: Mayor Bromley, Terry Bornemann, Larry West, John Shorthill, Jon Soine, Nancy Larsen, and Barbara Brenner.

Staff Present: Heather Aven and Samya Lutz.

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

Seth called meeting to order at 9:05am

#### **1. No minutes to Approve**

#### **2. Discussion**

Tom Beckwith led a discussion on the Financial Strategies spreadsheet handed out at the meeting. He pointed out that the numbers reflect the 2006 annual statement figures.

##### Option 1 – Property Tax (General Fund Subsidy):

Tom explained that if 5% of the property tax was dedicated to affordable housing, it could yield 3 million per year, or 20 million dollars after 6 years if factoring in inflation. He pointed out that 1.5% reflects the annual compound interest that the property tax will grow per year.

##### Option 2 – Growth Impact Fee:

Tom explained that option 2 is not viable because the impact fees are designated for three areas – schools, traffic, and parks. He pointed out that the City can waive the fees for traffic and road on projects they feel are merit worthy, or benefit the general public; however, the money would need to be re-paid by some method.

##### Option 3 – Real Estate Excise Tax (REET):

Tom stated that if 100% of any of the three REET options (only the county can utilize the third REET option) was dedicated to affordable housing, it would yield 1.5 million per year or 9.6 million after 6 years. He pointed out that REET is the tax on the sales of all real estate, including both commercial and residential, and reminded the group that it will go up and down over time based on economic activity.

#### Option 4 – Local Option Vehicle License Fee:

Tom commented that this would require evoking and passing the optional license fee, which would generate about 3 million per year, or 18 million after 6 years.

#### Option 5 – Local Option Fuel Tax:

Tom pointed out that the fuel tax would generate 11 million after 6 years; however, will most likely not be favorably received.

#### Option 6 – Property Tax Levy:

Tom advised that he had miscalculated the property tax revenue, but assured the group that it will create more revenue than all of the other options combined. He explained that he is basing his figures on an average household paying between \$22.00- \$44.00 per year.

The phone survey was reviewed and discussed. Tom explained that the participants are randomly recruited by phone and then a packet is mailed to them to fill out. He stated the survey is intended for registered voters regardless of owning or renting status. He pointed out that 400-450 households will be recruited to ensure that about 200 surveys will be completed. Discussion ensued about the target level of accuracy of the survey. Tom Beckwith has designed the survey for +/- 8% accuracy. Ted Mischaikov would like to see +/- 4% accuracy. Tom commented that eventually there may be a need for this, but at this stage the ideas are conceptual. When we know actual projects and locations, there can be a different approach. John Harmon commented that public resources are better spent on drafting content of a future levy. Now we want to know what general areas might see support to guide future actions and decide where to put our energy. Tom commented that if a higher level of accuracy is needed, more funds would also be needed for this survey.

Samya Lutz commented the survey should read “County Wide Plan” instead of having the separation of Bellingham / Whatcom County.

Tom directed the taskforce to review the survey over the week and e-mail any changes or additions to him directly to ensure the changes can be done in time to review and finalize on 11/30 and mail the survey out in the first week of December. He pointed out that the survey will provide information on public perceptions as well as guidance for packaging solutions.

#### Comments:

- Remove Lowes from the question, and just refer to the back pages.
- Manufactured homes should be added to the product section.
- Split questions #80 and #81.
- Use estimates instead of the actuals in the preamble.
- Split question #35.
- Change the wording of the questions to relate more to perception instead of the reality the taskforce is already aware of; this way a comparison can be made.
- Add “will you allow it in your neighborhood” to the questions #103-117.

**3. Next Meeting's Agenda (11/30/07)**

- 11/30 – Tom will bring the updated revenue sheets.
- 11/30 – Approve / finalize the phone survey