

Countywide Housing Affordability Taskforce (CHAT) December 14, 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; and Stan Snapp.

Members Absent: Mayor Bromley, John Shorthill, Gail de Hoog, and Barbara Brenner.

Staff Present: David Cahill, Heather Aven, Gary Williams, and Samya Lutz.

Guests: Tom Beckwith represented the consulting team.

Seth Fleetwood called meeting to order at 9:10 am

1. Approval of November 16, 2007 notes

There was a motion and a second to approve the minutes. **ALL AYES.**

2. Discussion

Tom Beckwith led the discussion on the CHAT Action Plan Survey results. He wanted to know the reason that some members chose not to fill out the survey.

Seth stated that the purpose of the meeting today is to generally analyze the survey and find the areas of obvious commonality. He commented that any decision made today could be discussed and changed in the future if deemed necessary by the Taskforce.

Members agreed that the procedure to be used in reviewing the survey would be to discuss only those topics that obtained a motion and a second. They also agreed that friendly amendments would be accepted, and then a vote would be taken.

GARY MOVED THAT THE PROPERTY TAX LEVY (#121) BE LOOKED AT AS DEDICATED FUNDS TO AFFORDABLE HOUSING. JON SOINE SECONDED.

Paul supports the idea and encouraged the group to look at the process Seattle went through to determine which types of housing would be best helped if approved.

John H suggested that broad goals be discussed, and allow staff to identify specifics.

VOTE: ALL AYES

RALPH MOVED THAT REET BE LOOKED AT AS A FUNDING SOURCE AS WRITTEN (#119), AS WELL AS, AN EXPANDED VERSION (THE SAN JUAN MODEL). TED MISCHAIKOV SECONDED.

Jon S pointed out that Whatcom County and the City of Bellingham are ineligible to use REET.

Hart clarified that exploring REET would allow for multiple funding tools.

Ted stated that REET 3 is a fair tax and he supports the effort.

Jon S commented that he opposed REET 3, he stated there will not be support in the legislature, and explained why.

VOTE: 13-1 (SOINE, OPPOSED)

Charlotte wanted to know why the vehicle license is not being pursued.

Tom responded that fuel and vehicle license are dedicated for transportation, he explained that it could be used to offset money from the General Fund, but not directly for housing.

GARY MOVED THAT THE DISTRIBUTION FOR THE TAX LEVY FUNDS OR THE REET FUNDS BE DISTRIBUTED ON A MERIT BASIS AS DECIDED BY A COMMITTEE. NO SECOND.

PAUL MOVED THAT A RECOMMENDATION BE MADE TO JURISDICTIONS TO USE GENERAL FUNDS OR OTHER FUNDS TO DEMONSTRATE PUBLIC LEVERAGE. JON S SECONDED.

Gary clarified that there would be no specific use of the funds, just to be dedicated to housing on a broad basis.

Jon S stated that priorities will have to be established, especially since it was made clear by Mayor Tim Douglas that the General Fund should be utilized for affordable housing.

Paul commented that he would like to see the City place part of the unrestricted funds collected from sales tax, in a variety of areas (including affordable housing), and not just the street fund.

VOTE: 13-0-1 (HODGES, ABSTAIN)

JOHN H MOVED THAT SALES TAX (#120) BE CONSIDERED AS AN OPTION OF FUNDING. TED SECONDED.

Ralph Black stated that the sales tax option is going to be very difficult to get through the Councils. He suggested that the same public process will be endured, so if one has to be chosen, the one that will yield the most money is encouraged.

Ted stated that sales tax has been supported by the community.

Terry supports the idea of the sales tax. He pointed out that the burden would be shared, and not solely on the property owner.

VOTE – 12-2 (BLACK and EASTMAN-PROS, OPPOSED)

Ted gave an update to a prior Taskforce discussion - the state does waive sales tax for alternative energy products.

Charlotte stated that, in her opinion, the group needs to determine a general dollar amount so that there is a sense of what there is to work with. She also wanted to discuss

why the vehicle tax is not being discussed, because until that discussion happens she can not vote for the others.

Tom pointed out that if 3% of just the County's budget was diverted, 43 million dollars could be used, and if 5% of the budget was diverted 73 million dollars could be used.

SETH MOVED TO ALLOW TOM TO PROVIDE A GENERAL ANALYSIS OF THE OFFSETS WHERE THERE IS A GENERAL CONSENSUS. RALPH SECONDED.

Gary reiterated that, in his opinion, the survey was not the proper format and he is not convinced that there consensus can be determined based on the 8 people the voted.

VOTE – 13-1 (REID, OPPOSED)

HART MOVED TO FLAG ALL 7-1, IN ADDITION TO THE 8-0, FOR FUTURE CONSIDERATION. IT WAS SECONDED.

NO VOTE – BUT THERE WAS GENERAL AGREEMENT

Discussion of Questions that had 8-0 and 7-1 consensus

- **80 - MOTION TO ACCEPT. SECONDED.**
VOTE: ALL AYES

- **81–84 - MOTION TO ACCEPT. SECONDED.**

There was a friendly amendment proposed to include renters as well as home owners in the classes.

Tom explained that other jurisdictions have asked the banks to pay for the classes, with the stipulation that in order for a community member to be eligible to apply for the program, attendance to the classes are mandatory.

VOTE: ALL AYES

- **87 – MOTION TO ACCEPT. SECONDED.**

Gary proposed a friendly amendment to include master planning.

Paul expressed his concern that this will not produce affordable housing.

Ralph explained that it is an incremental cost reduction that will provide the opportunity for the pricing point to be brought down.

VOTE: ALL AYES

- **90 – MOTION TO ACCEPT. SECONDED.**
VOTE: ALL AYES

- **93 – MOTION TO ACCEPT. SECONDED.**
VOTE: ALL AYES

- **94 – MOTION TO ACCEPT. SECONDED.**
VOTE: ALL AYES

- **95 – MOTION TO ACCEPT. SECONDED.**

Ralph proposed a friendly amendment to replace “close-in locations” with “designate receiving zones”.

Ted expressed his concern that TDR's will not make things less expensive, but instead more expensive. He stated that if this method is to be used, the way it reads should be re-worded.

Ralph responded that a TDR program will work if the jurisdictions have clearly identified receiving zones.

Gary objects to TDR's.

Tom proposed an additional friendly amendment to add “it an affordable housing” between “designate” and “receiving zone”.

VOTE: 13-1 (REID, OPPOSED)

- **97 – MOTION TO ACCEPT. SECONDED.**

VOTE: ALL AYES

- **98 – MOTION TO ACCEPT. SECONDED.**

Charlotte pointed out that there is a big difference between securing financing for a manufactured home versus modular home. She stated that it is difficult to secure 100% financing for a manufactured home loan and she believes that they should be separated.

Tom stated that the consultants will work on re-wording the statement to clarify the terms.

VOTE: ALL AYES

- **100 – MOTION TO ACCEPT. SECONDED.**

VOTE: ALL AYES

- **108 – MOTION TO ACCEPT. SECONDED.**

Gary proposed a friendly amendment to approve 108-110 as a sequential process.

VOTE: ALL AYES

- **113-114 – MOTION TO COMBINE THE TWO STATEMENTS. SECONDED.**

VOTE: ALL AYES

Discussion of Questions that had 6-2 consensus

- **88 – MOTION TO ACCEPT. SECONDED.**

Larry wanted to know if a property owner wanted to build a single home on his land, but the zoning requires more homes, is the property owner prohibited from building just one home on that property.

Tom stated that if there was a minimum density rule in place, yes the property owner would be prohibited. He explained that the owner could utilize the TDR process.

Ted stated that minimum densities have a lot of down-sides because you can not build to a lower density than the minimum.

John pointed out that the language does state “developable sites” which would allow for wetland, environment, and topography to be taken into consideration.

Gary proposed postponing further discussion until there is further clarity.

VOTE: NO VOTE TAKEN

- **88 – MOTION TO TABLE DISCUSSION. SECONDED.**

Ralph stated that he would support the scenario if the jurisdictions actually extended water and sewer services to specific areas with specific densities to offset the cost of the infrastructure.

VOTE: ALL AYES

- **111 – MOTION TO ACCEPT. SECONDED.**

VOTE: ALL AYES

3. New Business

There was discussion about how many units could be built if there was \$6 million per year designated for affordable housing. It was decided that approximately 50 units (for every \$2 million dollars) could be built, resulting in 150 units being built each year. It was then determined that the 11,000 unit goal will not be reached within 20 years.

Hart wanted to know if more units could be built if a particular income group was targeted.

John responded yes, using a mix of AMI will increase the project financial feasibility, as well as the social viability. He explained that with a broader range of incomes, there is a decreased need for subsidy due to the range in rental income.

Tom suggested establishing some policies in regard to the amount spent on foundations, placement, new construction for owners, and new construction for renters. He commented that stating your goals and then use those goals as a benchmark for allocating funds.

Ted agrees that having a committee that on an annual basis can decide which projects fit a loose set of criteria is valuable. He commented that, in his opinion, the community would appreciate a group of local citizens directing funds, and possibly support it more.

GARY MOVED THAT THE DISTRIBUTION OF FUNDS, ON A PROJECT CRITERIA BASIS, WHICH WILL PRODUCE THE GREATEST NUMBER OF AFFORDABLE HOUSING UNITS BE DETERMINED BY A COMMITTEE. SECONDED.

Tom suggested that it be a competitive process.

Ralph clarified that the motion says that a community based committee will meet each quarter or each year and review the submitted proposals with reference to a set of guidelines relating to that specific area.

Ted suggested creating a matrix that can be part of the decision making structure.

VOTE: ALL AYES

Hart suggested that there will be many things coming forward to Council asking for part of the funds collected by the sales tax and wanted to know how much of a priority the Taskforce will be suggesting the Council make affordable housing.

It was decided that this information will be in the summary statement at the beginning of the report.

4. Next Meeting's Agenda (1/11/08)

- Continue discussion of Action Plan Survey beginning with questions 85, 86, 91, and 92
- Discuss changing the meeting day – Charlotte

Adjourned: 11:15 am