

Countywide Housing Affordability Taskforce (CHAT) January 11, 2008 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, Gary Reid, Stan Snapp, and Barbara Brenner.

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

Guests: Steve Price represented the consulting team

Terry Bornemann called meeting to order at 9:05 am

1. Approval of November 30 and December 14, 2007 notes

Ralph Black moved to accept the notes as written. Seth Fleetwood seconded. **ALL AYES.**

2. Discussion

The discussion continued on the CHAT Action Plan Survey results.

Discussion of Questions

- **91-92 - MOTION TO ACCEPT. SECONDED.**

Paul supported the idea of building within the urban boundaries; however, he expressed his concern that this type of housing would not necessarily be affordable for people at 80% AMI and wanted to know how #92 fits the mission.

Larry responded that it would increase the housing supply which would reduce the overall cost of housing.

Ralph stated that lots would be combined, that would traditionally hold only one home each, and develop multiple cottages on those allowing for a higher density.

Jon S. pointed out that anytime a lot is developed with additional density the price per house, per unit will decrease for the building site.

A friendly amendment was offered to split the two options. It was ACCEPTED.

- 92
VOTE: ALL AYES

- 91

Terry expressed his concern that allowing detached ADU's is a way of shifting to single-family zoning to something different. He expressed his concern that the detached ADU will be opposed by the neighbors.

Ralph pointed out that there are great examples of ADU's being an effective tool if the primary residence is owner occupied. He suggested that the group recommend a deed restriction be placed on the property that specifies the primary residence must be occupied if the ADU is rented; therefore, even when the house is sold the restriction remains.

Jon reminded the group that an anticipated 30,000 people will be moving to Bellingham over the next few years. He stated that ADU's are one way to drive the price down allowing more units to be developed thus, driving down demand.

Gary suggested that this setup would be an ideal resource when dealing with a "re-entry" into society situation. He pointed out that it would allow the person "re-entering" to be as independent as possible, with the support of family close by.

Paul suggested recommending a small, per year fee be associated with the development of an ADU to help mitigate the cost of enforcing the rules of having it on the property. He also suggested the plans be subject to neighborhood design review, so that uncharacteristic units are not built.

John Harmon suggested a friendly amendment that would state: "we approve this subject to due consideration for deed restrictions, parking requirements, and design compatibility with the existing neighborhoods."
– Ralph agreed to the friendly amendment.

VOTE: 12-1 (BORNEMANN, OPPOSED)

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

There was discussion on what a progressive building a permit fee structure is and how it could reduce the price of homes.

Ted stated that, in his opinion, it will not reduce the cost of homes. He commented that this concept will not work unless there is accountability. He stated that he believes progressive fees can be productive; however, he does not agree with the way that it is written here. He suggested recommending that the way permits are reviewed, processed, and paid for be revamped.

Paul asked for clarification on the provision that allows fees to be waived if the house is affordable, at 80% AMI.

Dave clarified that the only the building permit fee, and not the other associated fees, can be waived. He pointed out that the ordinance specifies what qualifies under the waiver.

Paul suggested expanding this program more and find out if other fees, besides the building permit fee, could be waived for affordable housing.

Dave reminded the group that even though some fees are “waived” they still need to be paid through another source.

Ralph does not feel that this concept will drive down housing costs. He also wanted to add more to the expansion idea that Paul suggested, and recommended that the projects that are meeting affordable housing needs be expedited through the process in an effort to lower their initial costs.

Larry cautioned that this may have some unexpected consequences in other parts of the market.

John H. expressed his concern that a permit is not binding, and pointed out that the costs associated with the changes that staff requires prior to obtaining the occupancy permit drive up the price of the project.

VOTE: ALL OPPOSED

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

Ralph does not feel that this will affect the affordable housing market. He stated that targeting affordable housing projects specifically, would yield greater results.

John reminded the group that there should be discussion about reduced fees for affordable housing.

Ted stated that the concept could be favorable, but not as it is written. He pointed out that some of the waiving of fees is already taking place.

VOTE: ALL OPPOSED

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

Ted stated the issue is too large to manage. He suggested that the planning department should explore this and incorporate minimum density in a more structured manner.

Jon S. expressed his concern about minimum densities prohibiting a home to be rebuilt, if destroyed, to anything less the minimum requirement for that area.

John H. stated he will support this option, but suggested not having “blanketed” minimum density, he would like to see more site specific regulations instead of one requirement for all parcels in one district.

Ralph provided examples of how the minimum density rule could raise the cost of a project; therefore, not achieving the goal of affordable housing. He also suggested the option of density bonuses instead of minimum density regulations.

Ted pointed out that it could become more expensive to develop a site with minimum requirements in place. He stated that it could be a good option, but not the way it is currently written. He reiterated what John H. suggested, densities should be determined on a case by case basis. Seth pointed out that the question states that the City and County Councils would be directed to “define” the minimum density requirements; thereby, establishing a process. He also commented that one method that might work is “buying down density” and allow the density to be moved to an area of the City that it works in.

Steve Price reminded the group that the result of all the Taskforces’ work will be a county-wide document. He stated that the restraints that Bellingham may have, are not necessarily prominent in the small cities.

Charlotte pointed out that, in some instances, lending is conditional on the fact that the home can be rebuilt if more than 50% destroyed. She wanted to know if the minimum density regulation would prevent this from being allowed.

Ted responded that there may be a “grace period”; however, if the home was non-conforming, and the grace period expires, the home can not be rebuilt.

Seth made a friendly amendment to change the language of question 88: “define minimum density requirements for proposed developable areas, so that developable sites are not used to less than possible capacity”.

Ted stated that instead of re-wording question 88, he would like to see a minimum density component to the rezone process.

VOTE: 7-6 (? OPPOSED)

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

John H. stated that this allows for higher density in appropriate areas. He pointed out that there is no minimum requirement for densities, therefore allowing developers to have better knowledge when purchasing land to build on.

Ralph pointed out that higher densities are usually not achieved through single-family residential product.

Hart made a friendly amendment to add language to the end of question 89 so that it reads “... residential / mixed-use districts. There was discussion in regard to how a district is defined, and there was consensus to replace districts with areas.”

VOTE: ALL AYES

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

Paul stated homes are based on unrestricted fair market value of the home rather than the retail value (what the property could actually be sold for).

There was discussion about what taxes were being referred to in question 96, and which ones would require another source of money to replenish the transaction. There was a suggestion made to recommend taxes be waived or lowered at a local level throughout the county, since each jurisdiction may have a different approach. It was also suggested to add criteria similar to what is included in the waiving of permit fees.

VOTE: 12-0-1 (HODGES, ABSTAIN)

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

Ralph stated that this concept is already practiced in the county very effectively. He stated the cost of maintenance could be distributed to all of the units instead of a single household.

Larry pointed out that, as it relates to the infrastructure of the sewer lines, it would be more cost effective than removing the system and replacing it as needed.

Derek mentioned that monitoring the sewer systems have become an issue recently; therefore, having less to monitor would be more efficient.

VOTE: ALL AYES

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

Ralph stated that the question does not clearly state how the fees will be assessed.

Dave clarified that previous discussions had indicated that the fees would be assessed based on the number of potential people in the household.

John H. mentioned that some districts use a fixture count to base the water and sewer fees instead of people in the household.

VOTE: ALL OPPOSED

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

- Continue discussion of Action Plan Survey beginning with question 105.

4. Public Comment

- Bob Hitchcock distributed a letter addressed to the Taskforce stating his opinion on the mail out / phone back survey.
- A member of the public requested that the Taskforce consider adding two provisions to the CHAT Action Plan Survey. He suggested increasing the SEPA exemption to 20 lots and increasing the number of lots to be included in a short plat to 9 from the 4 allowed today.
- Terry Bornemann clarified that a member of the Taskforce will need to bring those two issues forward in order for them to be included in the CHAT Action Plan Survey.
- A member of the public stated his support for City Staff not having the authority to ask that plans be changed when they have been developed by an architect, engineer, or designer.

Adjourned: 11:00 am