



**COMMUNITY DEVELOPMENT DEPARTMENT
501 North Anderson Street, Ellensburg WA 98926**

MINUTES OF ELLENSBURG CITY AFFORDABLE HOUSING COMMISSION

Date and Time: Affordable Housing Commission meeting, March 4, 2020 - 4:30 p.m.

Place of Meeting: City Council Chambers

Present: Nancy Goodloe, Nathan McQuinn, Hannah Tower, Sarah Bedsaul, John Perrie, Delores Gonzalez, Charli Sorenson

Absent:

Others Present: Planning Manager, Jamey Ayling; Community Development Director Kirsten Sackett

1. CALL TO ORDER

Chairwoman Goodloe called the meeting to order at 4:30 pm.

2. APPROVAL OF THE AGENDA

Commissioner Perrie made a motion to approve the agenda as presented. Commissioner Gonzalez seconded. All in favor, motion passed.

3. APPROVAL OF MINUTES

Commissioner Tower made a motion to approve the minutes of February 5, 2020 as presented. Commissioner Perrie seconded. Sorenson noted some errors on page 2, Gonzalez noted error on page 1 of her spelling and fixing the phrase "Pascoe referred them". Perrie made a motion to approve the minutes as amended. Goodloe felt those were just scrivener's errors. First motion was fine. All in favor, motion passed.

Goodloe asked for the visitors to introduce themselves. Tom Golden, as a developer from Tacoma, was looking to develop affordable housing in Ellensburg. Just here to observe.

Dewan Palmer, board member with Habitat for Humanity. In attendance to collect notes and pass along information.

4. NEW BUSINESS

a. Review Potential types of assistance

Director Sackett introduced new planning manager Jamey Ayling

Ayling talked through his agenda report that included the revenue allocation, and list of priorities from the January meeting. He then provided more detailed information, and talked

through what the City already offers. He noted that the City already offers density bonus incentives. Nobody has taken advantage of those benefits yet, so he suggested that the commission could look at making some tweaks to what we offer.

He also mentioned cottage housing, which would be single-family units that are clustered with a common open space.

The Accessory Dwelling Unit piece is the one that is most taken advantage of. The City recently removed the parking requirement for the ADU. This is an excellent way of getting more people housed.

Another one we already offer is the Multifamily Tax Exemption. If you provide at least 4 units of multifamily you may qualify for a tax exemption for 12 years if they are affordable, and 8 years if they are rented at market rate. In response to questions from Goodloe, Ayling noted that all of the applicants so far have only qualified for the 8 year tax exemption.

In terms of what other communities are doing, he hasn't found any groundbreaking ideas out there. Some cities offer a down payment assistance program for home purchase, with certain criteria. Some of them are tailored to have loan forgiveness if they live in a home for a certain amount of time.

Covering the cost difference between market rate and affordable housing program. It would be similar to Section 8 housing, but covered through City funds.

Currently the MFTE only applies in the C-C zone. The Commission could discuss whether it would be beneficial to offer it in any other zones of the City.

Finally, tiny homes and various iterations, of whether they are smaller lots that allow tiny houses, tiny house villages, tiny houses on wheels (or not). They could consider a target population of who this would serve. Is this college students, elderly, etc.

Ayling noted that the rest of the sheet was just about providing facts.

Goodloe had a question about the tax exemptions and Ayling responded that the suggestion was to consider offering a program to provide tax exemptions to properties that are rented as affordable housing.

Bedsaul asked if this was the time for brainstorming, and Gonzalez asked for clarification on where this request came from. Sackett provided a little more background on this, stating that these options were being explored at the request of the Mayor, in an effort to provide funding outside the RFP process.

Bedsaul thinks that there should be mandatory triggers for affordable housing. She would like to see a required percentage of units have to be offered as affordable housing – inclusionary zoning. When it comes to the money, she likes the idea of “down payment assistance” but with a ceiling that is higher than 5 years. And she wonders how many people could actually be served by that, and also would be interested to find out more about HopeSource's senior assistance program. Goodloe would like to know how much rent the seniors are having to pay. If they have a more affordable place to stay they may not need assistance. Bedsaul said that she is still interested in finding ways to find the groups in the most need – seniors and small families. Also, how do we continue to hold on to the affordable housing that we already have in town? How do we find out about the investors that buy dilapidated units that

fix them up, but then raise the rates? Would like to consider a way that prevents this from happening whether the city could purchase these properties or place restrictions on the purchasers of these properties.

McQuinn agrees with Bedsaul.

Gonzalez asked if we do away with the RFP after the Community Garden Property, how the funding would be distributed. Sackett provided clarity on the idea that the AHC would still have oversight of the program. Gonzalez also asked about staffing and if we would need a new housing department at the city.

There was brief discussion about being more specific with the community garden property. Perrie said that even though he is okay with setting priorities he still wants to keep an open door. Some of the best ideas were not known in advance. He doesn't want to give people the idea that "you do this or do nothing." Bedsaul did not think the RFP process was that cumbersome.

Gonzalez keeps going back to the idea of the representatives from Seattle that spoke to the Commission a couple of years ago. She said they recommended doing one thing, and continuing to do it until you have done it well. She feels that if we haven't finished the contracts of the current projects, we need to get that complete first.

Gonzalez said another idea was to get the calendar of the State's grants and we could piggyback to have money available at the same time.

Bedsaul is still of the mindset that the commission should build up the money with a bond and make that available to the community. Gonzalez thinks that they need to have the money to entice people to apply. The applicants could show that they are trying to layer with the state. They could also put the "open call" on the calendar, and could build the open call document.

Goodloe wants a more flexible system for developers in how they can contribute to the housing stock that is affordable, through more than just an RFP. She suggested that some of the information they used in the RFP application process could be used for funding other types of projects.

The Commission doesn't initiate a project by issuing a RFP. Instead a developer initiates an idea, then proposes it to the Commission.

Gonzales thinks it should be on a calendar. Perrie thinks it should not be restricted to a certain time frame. Non-profits work well with schedules. Private developers do not work within those kinds of time frames. Bedsaul thinks if you want this fluid process to allow developers to submit proposals, you need to bond the money. Goodloe says if we go bond for money, how would we know if developers are actually going to come in with requests for affordable housing projects. So the decision has to be made. Bond or not. Gonzalez stated she did not know about the consultant that was working on the contract for affordable housing grant program, and was concerned we don't even have a complete view of what the awarded projects look like.

It's hard to focus on other ways of doing things, when they don't have any money. Bedsaul supports ways to support current affordable housing units. She thinks about offering smaller amounts of money for rehabbing, and potentially a down payment assistance program. On regulations, she wants the mandated inclusionary housing.

Goodloe suggested taking the conversation back to Mayor Tabb+. They don't feel like they can do the flexibility piece because they don't have the money. They don't want to feel like they won't be in a position to hear new ideas if they don't have money. Goodloe clarified that the City can bond at any time, but that it will take 2-3 months to get the money in hand. Sorenson said that while they are waiting for the bonding to take place, the AHC could be putting together an application package.

They asked Ayling for his thoughts. He said he is absorbing and it sounds like we are going down two tracks. One is to just look at the "sky is the limit" and figure out what options we do want to pursue.

The second track is focusing on what went right, what went wrong. He understands both tracks of thought on why to bond and when is the right timing?

Goodloe said that it sounds like more focus on inclusionary zoning, MFTE affordable housing, answers from Hope Source about the rental assistance program – how many years, what do they subsidize. Is there a partnership with Hope Source possible. Goodloe would like to know if they built affordable housing for seniors would it actually make a difference. She suggested that they have those two conversations before the next meeting. Gonzalez would like us to look at the disabled populations in addition to seniors. Get information on their rental assistance program. Where are they on the AMI scale? Goodloe also said we will get some information on when Council would like to go after the money. The amount of time it would take to get an application together is how much time it would take to get the bond. We can also get the federal grant cycle calendar. She believes the applications are due in October, so we would want to have money available in the summer, so it could be listed as matching funds.

Bedsaul asked if staff could get more details on down payment assistance programs.

b. Review and Select Priorities for 2020

Ayling mentioned in his report a list of the original priorities developed by the Affordable Housing Commission. He went on to list the priorities developed at the January ACH meeting. Ayling suggested the committee focus on two or three of the priorities that were developed and he could focus more energy exploring those specific priorities and provide more detailed information to the commission about ways to achieve the highest priorities.

c. Review Revenue Allocation

Director Sackett reminded the commission of the existing allocations for the sales tax funding - 5% administrative costs, 5% kept in reserve, 40% for operations and maintenance, and 50% used for repayment of general obligation bonds. Sackett asked the commission if they were still satisfied with these allocation figures and reminded the commission that the 50% number was the minimum for repayment of the bonds per state statute. The Commission after discussion thought those percentages didn't need to be altered.

d. RFP for community Garden property.

Goodloe stated that we would put community garden RFP on hold for next time.

5. STAFF UPDATE DISCUSSION ITEMS

- a. Increasing residential building capacity grant application status
Ayling provided the Commission with an update that staff had completed and submitted a grant application to the Department of Commerce and if awarded would allow the city funds to develop a housing action plan that would complement the housing needs assessment. Commissioners asked when we know if we were awarded any funding? Ayling stated it wasn't known when they would award the funding but once they do he would make the commission aware.
- b. Monthly Budget Report
Director Sackett explained the one page financial report that was developed by finance director Pascoe. She offered to provide the report on a monthly basis to the Commission.
- c. ACH work plan Jan thru June 2020
Director Sackett reminded the commission that the work plan was a fluid document and subject to change. The work plan provides a general outline to help the commission stay on track with their objectives.

6. CITIZEN COMMENT

Goodloe asked if Mr. Golden had any thoughts to share on this meeting. He stated that the most detailed information is given to the bank. What the City should be requesting is a summary. It is not so much about exactly what you are paying the subs. Sackett said part of the challenge with developing the contract with the awardees is that it also involves certain proforma that must be detailed out after grant project selection.

Golden said that if Ellensburg has the capacity to bond, what he would do as a developer is still consider that and put it into the application to the bank or HUD. The funders don't need to see the money, they just need to know the pot that you are going after.

Palmer with Habitat offered some follow-up on the idea of a flexible RFP. He said there were some great ideas. If there was a bigger pot of money out there, and if they could partner, Habitat would be completely open to flexible timelines and guidelines. Would need to provide separate guidelines for private developers and non-profit organizations.

For any non-profit that has an open timeline, knowing that it would take at least 3 months to bond the money is valuable information for anyone coming in. There should be guidelines and categories. The same goes for non-profits and for private developers. As soon as you open the door, you are going to get all sorts of information, so you need some concise clarity on what you need submitted so you have a way to compare grants.

He would suggest including abandoned property, like the Knight's Inn property. All open for flexible ideas, but it needs categories – new construction, rehabbing, etc.

Goodloe said they would have some more conversations about bonding before the next meeting.

7. ADJOURNMENT

Goodloe adjourned the meeting at 5:53 pm.