



Jefferson County/City of Port Townsend Housing Action Plan

# Housing Action Plan Network Advisory Group



## Final

## MINUTES

July 12, 2007

3:00 - 5:30 PM

Pope Marine Building

Members Present: Kees Kolff, Pete Von Christierson, Al Cairns, Phil Johnson, David Rymph, Susan Miller, Michelle Sandoval, Steve Paysee

Staff Present: Rick Sepler, Brent Butler, Joel Peterson

Public attendees: \_\_\_\_\_

Scribe: J. Peterson

### I. Prioritization Exercise

A. Discussion of additional items to add to the strategy/actions list, those that were not in the matrix but participants felt should have been added:

- Tax sales
- Surplus property:
  - Think about land we're already holding,
  - The possibility of county parcel in the city limits,
  - Restrict how tax delinquent properties are offered (rather than sale on the courthouse steps)
- Land banking
- Inclusionary Zoning
- Tax square footage on construction ('mansion tax') for affordable or subsidized housing
  - Direction of \$\$ is usually an afterthought
  - Usually regards the aesthetics of large houses—scale issues
  - Holds challenging issues
- Payment-in-Lieu of providing affordable housing
- Taxing at higher tier for second homes
  - Second-homers typically are not voters in the same jurisdiction as second home.
- Demonstration projects (Al and Kees each have a demo. project.)

*There is a degree of controversy with some of these ideas—measure the level of controversy to inform our prioritization list.*

**Consensus (no quorum today, however): we will do the ranking exercise twice: once today and once at the next meeting. This will provide a second opportunity to rank with respect to the additional items and add rigor to the ranking exercise (i.e. strengthen our conclusions).**

- B.** Items added during the ranking exercise:
- #43 Preserve & expand existing subsidized housing for low income & working households.
  - #44 Provide assistance in grant applications
  - #45 Land banking set-asides
  - #46 Policy on current jurisdictional holdings
  - #47 Inclusionary zoning/payment-in-lieu
  - #48 “McMansion” tax & dedicated use for housing
  - #49 Second home tax
  - #50 Demonstration of affordable housing projects
  - #51 Expand mixed-use & higher residential density
- C.** Exercise 4:00-4:30
- D.** Follow-up
- “In a year, how many can we do well?”
  - Redo ranking in 6 months to a year and see what results are.
  - A challenge of the ranking exercise is that there may be a magic bullet imbedded deeper in a project. (Idea from Emergency Declaration discussion.)

**II.** Emergency Declaration      Timing? When do we do it?

- A.** Brent’s discussions with CTED:
- Two funding areas:   1)     CDBG  
                                  2)     Housing Trust Fund (two submissions/year)
  - If Jefferson County and City of Port Townsend, prior and/or during consideration of grants, it would make urgency more poignant.
  - San Juan is #1 least-affordable county in State of Washington < 20,000 population. - Jefferson County is #1 least-affordable county in State of Washington > 20,000 population.

San Juan County will be considering an Emergency Declaration. Council of 6 persons. 4 votes for item to pass. Two persons on San Juan Council are very supportive of emergency declaration. Likely to pass San Juan

Council if Emergency Declaration points out problem and urgency, but may not receive same support if it points out solutions.

- Pete Rose, County Administrator for San Juan Co. would like to sidestep the contentious issue of multi-family dwellings in UGA.
- Get Friday Harbor (UGA) to join? [Mirror city/county relationship] Or, work at county level for countywide problem?
- Solutions are usually density-based (e.g. infrastructure development).
- Seems appropriate that San Juan's high-density area would be part of the solution.
- Bring UGA (Friday Harbor), ask if they would participate.

**B.** 4 government jurisdictions:

- 1) Port Townsend
- 2) Jefferson County
- 3) Friday Harbor
- 4) San Juan County

**C.** Start the process:

- 1) Jefferson County and Port Townsend get wording down in Emergency Declaration (make a draft).
- 2) See if it is the best problem statement
- 3) Staff will draft Emergency Declaration and will submit August's draft to Friday Harbor and San Juan County.
- 4) San Juan reviews and revises August-September
- 5) Timing of Emergency Declaration: November [Gets us close to the November date with CDBG anyway]
- 6) Emergency Declaration Releases funds for solutions

Further Discussion:

- Chance to pass levy is slim this or next year.
- Use low millage rate (e.g. 1/1000 or 2/1000)
- Seattle's first levy specifically targeted senior housing, evolved into other areas
- "Start small, show success"
- Need information about pot of money so we know we have enough to make a success
- Bellevue example to learn from (AI)
- Need issue or levy and specifics on our priority list—how much \$ will it raise?
- Do we want to tie the levy to emergency declaration?
- Levy is time consuming and need to build a lot of capacity.
- Forward thrust—Ellis, creation of Metro for King County—coupled with environmental quality.
- Levy = long-term goal. Develop capacity first.
- A challenge of the ranking exercise is that there may be a magic bullet imbedded deeper in a project.
- Need a Gantt Chart showing steps to build capacity—send around to group

- Don't have to couple levy with Emergency Declaration
- See what good we can do with Emergency Declaration and other strategies
- State the problem, not specific solutions
- Help with other funding (i.e. Housing Trust Fund).
- Urgency: Title 43 specifies use of funds...important criterion (see Title 43).
- When City/County adopts priorities, then set them with level of urgency
- *Then*, it's time to hit with the potentially controversial issues.
- Timing of our release of Priority List with Emergency Declaration
- Ammunition: information and actions are all together
- Timing: Pete would like Emergency Declaration now, move it along now

### III. Community Development Block Grants

- A. CDBG Request For Proposals  
 Step 1: RFP Notice on the 18<sup>th</sup>  
 Step 2: DCD Responses ready for HAPN on 15<sup>th</sup> of August and Responses in HAPN packet.

B. Financing Plan RFP

If we need to produce 70 units per year: what would they look like?  
 Sweat equity, etc.

See RCW 84.52.105: City, county, town may impose property tax

“Affordable Housing Financing plan” see item (b)

Financing plan for diversity of housing types we're looking for; % sweat equity, % rental, % affordable housing units.

This will help determine millage rate for a levy; though this process (CDBG) is decoupled with levy.

What are the costs of creation of our mix of housing?

Emergency Declaration can cause a number of funding sources to shake loose, e.g. Federal earmark money.

C. Process of RFP #2:

- Draft of 2<sup>nd</sup> RFP
- Determine factors, staff resources, can we meet the RFP?
- Draft will go to the HAPN group before BoCC sees it.
- Some confusion expressed regarding if the RFP is the right mechanism to develop a financing plan—discussion tabled for next agenda.

- RFP is trying to address one of the components: if we decide to go the route of levy, if there's discussion with federal, state for specific funding, we need an objective.
- Port Townsend City Council, on July 16, is considering sponsoring CDBG for Domestic Violence facility. County will follow steps in the Agenda Request document.

**D.** Recap of two Request for Proposals and discussion:

- HAPN representatives would help develop whatever type of housing was funded. Need to know who is eligible to apply: individuals, govt., private, etc.
- What would RFP #2 look like?
- If end goal is to finance the need of our community, see page 8 in Plan (Boxed text)
- In putting together plan; the goal is to find out what our overall target is.

**III.** DV Project Outline

- Architectural schematic of facility: Two-story building, cost \$1,443,521
- Have sourcing and commitment of over 90% including CDBG as funding source.
- Cheryl is approaching Housing Trust Fund
- Requesting \$425,000 from CDBG
- Large amounts of products and services were donated
- Project is on schedule, if all goes well the groundbreaking will occur in April 2008.

**IV.** Closing

- Prepare for second prioritization exercise and timeline.
- Put RFP #2 on agenda
- Clarify financing plan and determine the best way to get it.
- Email to be sent out to confirm next meeting and assure quorum