



September 18, 2006

Jefferson County Board of County Commissioners
P.O. Box 1220
Port Townsend, WA 98368

Port Townsend City Council
City Hall
250 Madison Street
Port Townsend, WA 98368

RE: Housing Advisory Group Recommendation

Having explored and researched the housing needs in Jefferson County for the past eight months, this letter conveys the recommendations of the Housing Advisory Group. Membership in the group was diverse, knowledgeable and invested in this issue.

Appointed by the Jefferson County Board of County Commissioners and Port Townsend City Council, the group was asked to address the issue of affordable housing and determine if there was a shortage—and, if so, what could be done about it. We were assisted in this effort by city and county staff and housing consultant Tom Beckwith, who was retained with funding provided by a Community Development Block Grant. The group has held twelve meetings and five public open house meetings between December 2005 and September 2006. The consultant conducted focus group interviews with real estate agent, lenders, builders and OlyCAP. In addition, phone surveys were conducted with 148 individuals at large.

In general, we endorse the attached Housing Needs Report. As with any group, not all details are acceptable to all parties. There are, however, recurring themes accepted by all:

- Affordable homeownership is a priority to strengthen our community.
- A wide range of housing types, integrated into the communities, is necessary to address the variety of needs throughout our county.
- New affordable housing units must be sustainable as low- to moderate-income housing.
- Supporting families with daycare, transportation and health care is also an effective way to help make their housing costs less of a burden.
- Attention and dollars need to be invested in education and workforce/entrepreneurial training.

We envision a community where young families and retirees can live together; where neighborhoods are engaged with each other, active and proud of their surroundings. We want to be able to recruit young 18-35-year-old workers, and their families, to our

community. We want them to be able to envision themselves living here, affording their dreams, owning businesses, and being active parts of our community. We believe growth and change can be managed in ways that avoid the age and income segregation that has occurred in other high-amenity communities throughout the west. We want to keep our community, our families and our housing independent, friendly and accessible.

Our conclusions, as further detailed in the study, are that the issue of affordability can be witnessed from two viewpoints: the cost of land and design costs is increasing and the ability of residents to pay is decreasing. Pressures beyond our control, such as the national economy and demographics, impact local prices. We want to maintain the quality of life that brings and keeps our residents here and happy. Increasing the ability to pay for housing through increased wages, training, education and economic growth is key. It's not enough to subsidize housing; it's better to ensure people can afford the housing.

The cost of housing is a national, and even international (banking), issue that we have minimal local ability to influence. "Baby Boomers" are approaching their maximum investment years. Funds are going into property investments and equity transfers, not just stocks and bonds. People continue to find this area attractive. Growth is going to occur. We live on a peninsula with water on all sides. We can't produce new land in an area limited by its natural terrain. This is our advantage and this is our limitation.

An Action Plan is set forth in Section 5 of the report. Forty-two strategies are listed. The proposals are complex. The county, city and other organizations must work together—and think outside of the box. Success will require partnerships, the pooling of financial resources and grant solicitations.

To focus on increasing the ability of people of all ages to pay for housing within our diverse community, we suggest:

1. Develop the Housing Action Plan Network. HAPN is a new organizational structure to tap the expertise and management skills of our residents to form innovative public/private partnerships to get the financing and housing stock we need to ensure young and old can live together in this community.
2. We want to look at innovative approaches such as Tierra Contenta, community land banks, and public land being used in partnership. We want to foster new approaches to construction and ownership, as well as encourage specific programs to increase the ability of our young to buy homes (e.g. sweat equity).
3. We want to encourage the promotion of environmentally friendly, small-footprint housing that is high quality and well constructed. -
4. We also recognize that affordability of housing isn't the sole cost to consider. For many residents, affordability of the monthly payment is most critical. We need to increase affordability by investing in their ability to earn a family-wage salary. Transportation, energy, daycare and health care costs must be addressed, as well.

5. We encourage a holistic perspective of community development, where housing is seen as part of education, economic development, citizen engagement, and local ownership of businesses. Collectively, all are used to ensure an integrated community, where both young and old can live together.

To monitor performance and facilitate implementation of the action plan, we recommend that a Housing Action Plan Network be appointed and funded.

In the near term, we further recommend:

- Establish Joint Venture Housing Action Plan Network (See Action Item 1)
- Engage the public through a public education campaign (The Jefferson County Leader has expressed interest in assisting in this endeavor) (See Action Item 1)
- Define minimum design zoning requirements (See Action Item 8)
- Look for alternative ways to finance, for example local banks, community land trust, investment groups, co-ownership, shared equity plans (See Action Items 29,30,31)
- Retain publicly owned land that has the potential for affordable housing. (This would help achieve integration of affordable housing throughout our community) (See Action Item 36)
- Expand the opportunity for small, green, alternative housing that results in reduced energy and transportation costs (See Action Item 16)
- Continue the County's efforts to develop low impact site development standards (See Action Item 10)
- Encourage sweat equity programs (See Action Item 41)

Finally, recent trends in converting accessory dwelling units to transient accommodations raised significant concern among the group members. Accessory dwelling units are a desirable form of affordable housing that should be protected and promoted. We recommend that the City and County retain and enforce existing regulations limiting the use of outbuildings as transient accommodations.

The HAPN will bring together representatives of all sectors of our community impacted by the lack of affordable housing. We recommend recruitment of a strong executive leader from outside the groups represented at the table. A person with executive skills and a passion for affordable housing would top our wish list. The person would work with HAPN to be a spokesperson for affordable housing, as well as a clearinghouse for ideas and connections. It would be an important role, and one we pledge to support as we move forward on our Housing Action Plan.

Respectfully submitted,

L. Katherine Baril, WSU Extension Jefferson County Director
Mike Blair, Chimacum School District Superintendent
Zoe Durham, Quilcene School Board Director
Steve Emery, Port Townsend Planning Commission
Linda Germau, Kitsap Bank AVP/Branch Manager
Sandy Hershelman, Jefferson County Home Builders Association Executive Officer

Kathy McKenna, Housing Authority of Jefferson County Chairwoman

Steve Paysse, Olympic Community Action Programs (OlyCAP)

David Rymph, Habitat for Humanity, Housing Authority of Jefferson County
Commissioner

Michelle Sandoval, Port Townsend Deputy Mayor, Port Townsend City Councilor, real
estate brokerage owner

David Sullivan, Jefferson County Commissioner