

Whatcom County Business and Commerce Committee
Meeting Notes
September 19, 2022

Voting Members Present: Debbie Ahl, Ryan Allsop (Committee Vice Chair), Clark Campbell, Pete Dawson, Casey Diggs, Andrew Gamble, Troy Muljat, Bob Pritchett, Sarah Rothenbuhler (Committee Chair), Chris Trout

Voting Members Not Present: Brad Rader Paul Burrill

Nonvoting Members Present: Bellingham Mayor Seth Fleetwood , Don Goldberg, Eva Schulte, CJ Seitz

Nonvoting Members not Present: Tyler Byrd, Whatcom County Executive Satpal Sidhu

Public Present: Grant Beld, Ken Bell – POB Commissioner, Lance Calloway, Barbara Chase, Ray Deck III, Dan Dunne, Chris Erdmann, Jasmine Fast, Dean Fearing, Rob Fix, Heather Flaherty, Kaylee Galloway – County Councilmember, Elizabeth Gibbs, Liz Howe, Jon Howe, Mauri Ingram, Chelsea Johnson, Darcy Jones, Rose Lathrop, Erika Lautenbach, Michael Lilliquist – COB City Councilor, Derek Long, Blake Lyon – COB Planning Director, Tim McEvoy, Kristina Michele Martens – COB City Councilor, Ted Mischaikov, Jennifer Noveck, Guy Occhiogrosso, Louis Parr, Shell Philhower, Heather Powell, Andrew Ruback, Simon Sefzik – WA Senator, Gina Stark, Chaoying Wu, Judy Ziels

Introductions / Administrative business / Comments welcome from the Public (5 min)

- Committee Chair calls meeting to order
- Committee Members introduce themselves
- Approve August 2022 minutes
- Invite public to participate along with Committee members during Q&A sessions

Presentation on draft letters to support affordable housing at all income levels to the City of Bellingham and Whatcom County by WCBCC Housing sub-committee members Troy Muljat and Dan Dunne (20 mins)

- Q&A (15 mins)

Update on childcare and Healthy Children’s Fund by WCBCC Childcare sub-committee member Clark Campbell (20 mins)

- Q&A (15 mins)

Briefing on WCBCC sub-committees (15 min)

Sarah Rothenbuhler: Alright, everybody, we're going to get started. September - how is it already September? Thanks so much to everybody here. It looks like we have quorum, and just a reminder, this is

a Business Commerce Committee meeting, but if anyone attending has anything to say, please join in. We'd love to hear everybody's input and really appreciate your time. Let's see, committee members to introduce, you want to start, Ryan?

Ryan Allsop: Ryan Allsop, Allsop Incorporated.

Casey Diggs: Casey Diggs, I help manage Boundary Bay Brewery.

Clark Campbell: I'm Clark Campbell, President of Gear Aid.

Don Goldberg: Don Goldberg, Port of Bellingham.

Eva Schulte: Hi, I'm Eva Schulte, Higher Education Representative, Whatcom Community College.

Sarah Rothenbuhler: Do you want to kick off the Zoom members, Troy?

Troy Muljat: Troy Muljat, Muljat Group.

Debbie Ahl: Hi, Debbie Ahl, I'm a for-profit health care representative.

Chris Trout: Chris Trout with Wood Stone Manufacturing.

CJ Seitz: CJ Seitz, Western Washington University for Higher Ed.

Pete Dawson: Hi, Pete Dawson. Dawson Construction, commercial real estate.

Andrew Gamble: Andrew Gamble, energy chair.

Bob Pritchett: Bob Pritchett, recently with Faithlife.

Sarah Rothenbuhler: Sarah Rothenbuhler with Birch Equipment. Our next topic is approving the August meeting minutes. Do we have a motion to approve?

Debbie Ahl: So moved.

Clark Campbell: Seconded.

Sarah Rothenbuhler: Ok, Thank you. Our first topic, Dan Dunne has been spearheading and has been doing a some great community work. It's been, I don't know how many months of weekly meetings...

Dan Dunne: A lot. (laughter)

Sarah Rothenbuhler: Just a beautiful collaboration from so many in our community, from contractors, developers, Kulshan Land Trust, Sustainable Connections, AGC, City and County Council members. It's been really magic to see everybody come together for this. So, passing the baton to you Dan. Is the goal to get signatures for the proposals?

Dan Dunne: Yes, my ask today, In front of you, you should have a couple of letters, one that is addressed to Mayor Fleetwood and one that's addressed to Executive Sidhu. They're functionally similar. The one for the county is the city letter minus things that aren't relevant to the county. If it's ok, I'd like to start with the city letter, which is slightly longer. The goal of this overall, was that this has been around starting since you guys started in 2019, and the group chat that was here before that. Affordable housing is not a new idea related to the community, and the ideas that are here are nothing really new, like, 'oh we found this thing, this idea came from Pluto and now we can solve all the problems'. It's just a collection of ideas, where really what we did was we started off with probably five or six pages where the question that we all asked was what are all the possible things we can do to either plateau or reduce the price of housing ownership and rental in the community? And then we narrowed that down.

Some ideas were too extreme, either on the right or left for everybody to really get behind. Some ideas were just impractical, and we kind of got down to this list of a couple of pages of things that seemed to be something that maybe not everybody was, 'Yeah, I'm super supportive of the whole thing', but maybe the middle 80% of people were like, 'Yeah, that sounds like that's going to be okay, I can deal with that'. I think the main goal, the idea is that people in Bellingham, and everywhere ideally, should be able to find a place (to live) where they can spend about a third of their income, ideally no more than about that. That's a goal, but it's not a mandate. It's good for business. I have about 50 employees and a lot of them live out in Sedro or other places. It'd be nice if they lived a little closer in, it's good for people who live here to work in the community, you don't know if they don't want to commute out to Lynden or somewhere else. I think it's good for the community itself.

I think one concern I have looking longer range, the 10 or 20 year picture, is that we're beginning to become a city where there's a lot of multifamily, a lot of rentals. That's the main thing that's being built here, which is great. They are housing units, people need a place to live. That's awesome, but the concern is that we're moving towards a place where there are a few people who own all the land and then a lot of other people who just rent the land. There's nothing wrong with renting, it's just that I think if somebody wants to, and has a desire to own property, I think they should have that opportunity. I think what we're noticing now is that the people who aren't able to find a home, whether to rent or to buy, that's in that roughly third of their income is stretching. It's not just people who are at half of the area median income or 60%, it's people who are making the average income or making even one and a half, or sometimes even twice the area median income, are still having a hard time finding a place to live.

Ironically, one of the early ideas was, sort of tongue in cheek, just to wait for a recession, let things sort itself out. Theoretically, we're in a recession now. I don't I don't really see a housing crisis crashing here. I mean, I think if you look at 2008, that was a similar thing where there was recession. House prices kind of plateaued a little bit, but it certainly didn't crash down. And since then, you know, I bought my house, with my wife in 2009, in the Columbia neighborhood for \$235,000. Two people working for nonprofits were able to do that fine, and now that same house is double or triple that price. If I was working that same job, there's certainly no way I'd be able to afford that, I'd be renting something. That's the background, or where this came from. I can work through this letter, top to bottom. Or if people want to read from the top down and ask questions. Sarah, how would you like me to proceed? Do you want me to work through the letter? Or we can ask questions before...?

Sarah Rothenbuhler: I think everyone would appreciate it if you flowed through the letter.

Ryan Allsop: Dan, did you see Michael's email just before this? He's going to add his signature to this, which he has previously been hesitant about. I think that's important to note.

Dan Dunne: So Michael Chiavario is on the board of the Kulshan Land Trust and was hesitant to add a signature because he felt it didn't go far enough to advocate for permanently affordable housing. I think the argument is that yes, permanently affordable housing is definitely part of the solution, but we can't mandate it. Every single house in the in the city as permanently affordable, Kulshan doesn't have the capacity for that. I don't think there's much political support for that. So that was a discussion that Michael and I had. It sounds like, he texted me this morning and said that he had changed pitch a little bit and was willing to sign on. So that's good. Maybe before we jump into it, I'll just go over a kind of list of who signed on so far to kind of get a sense of...

Jori Burnett: Hi, thank you for doing this. Jori Burnett, City Administrator for the City of Ferndale, just initially a general question. Great work. Wondering how or if the small city needs or expectations for the future are reflected in this letter, or if the expectation is really starting off with Bellingham and Whatcom County and later addressing the small cities?

Dan Dunne: Yeah, I would love to have small cities being addressed. I reached out to the Small Cities Working Group, maybe six months ago, to meet with the mayors. I didn't hear back, so I sort of figured, well, we'll put that on the back burner and I'll get to you guys soon.

Some of these issues we read through might be issues where you might think that makes sense for Ferndale, or Blaine, or Birch Bay, or anything like that. Some of them you might look at it like, 'hmmm that that's not really for us', but I'd be delighted to sit down with anybody in small cities and address any particular questions or see what your perspective is.

Jori Burnett: Awesome. Thank you. We look forward to it.

Gina Stark: Dan, I'll just say, I'm wearing my Whatcom Housing Alliance hat, I'm the chair of the Steering Committee and Steering Committee did meet and go over this. We are also adding our signature of support, and thank you again for your hard work on this, as well as the whole committee. The Steering Committee was very appreciative of all the hard work. And as I said, the Steering Committee is non-profits, for profits, chambers. It didn't look like it quite got on here, so I wanted to let you know the Steering Committee met, and we're also sending it a separate letter of support to the city and the county as well.

Dan Dunne: Yes, thank you. I just got that email this morning from Rose and actually included in the official list.

Bob Pritchett: My concern was just about the incentives for permanently affordable home ownership. I feel like it's not economically responsible to mandate that. I love everything else in the document, I'm super happy with it and I think there's a lot of great suggestions. I appreciate all the work on it, but I just wanted to put out there that I think that permanently affordable housing comes from the way housing filters down. The cheapest housing is the housing that was built a long time ago, and the most expensive housing is new housing.

Mandating that we build new houses that are affordable is like saying bookstores that sell new books should make 10% of the books available at a lower price. Books become available at a lower price by going through the used bookstore process and moving down the chain. I just think mandating that new

construction be permanently affordable is economically irresponsible when if we just get more houses built, period, and not tack that extra cost on for developers, then most people don't consume more than one house in the same community. So if we build more houses, period, whether they're high end or low end, that creates more housing in the affordable range.

Dan Dunne: I definitely hear you, Bob. And I don't think that we put in a policy recommendation that we mandate any new construction is permanently affordable.

Bob Pritchett: Number three is provide incentives for permanently affordable house ownership.

Ryan Allsop: But it's not required.

Clark Campbell: It's an incentive...

Ryan Allsop: It gives the developer a choice to use those incentives to actually expedite, potentially, permitting to get certain sites developed that weren't potentially going to be developable. There's other reasons for that. It's not a mandate that they have to do that. That's how I interpreted it.

Michael Lilliquist: Just a comment, Bob. Public libraries, there are places for free books, so that's not a perfect analogy, but maybe it's similar.

Bob Pritchett: Yes and no. But I mean, I'm not even saying that we can't provide free housing to people where we need to. But this is about forcing something in the commercial market to have an artificial price constraint. It's just another version of rent control.

Clark Campbell: It's an incentive, not a mandate.

Sarah Rothenbuhler: I think we went back and forth on the wording of each of these line items. You can see Troy laughing. We dissected every word for that reason, so it wasn't by accident to put it as an 'incentive'. There was a lot of thought into that.

Troy Muljat: Bob, some of the discussions were like increased density, if we hit a certain AMI target or 20% of the project hit a certain AMI target. So there was a lot of discussion around density bonuses for that type of situation. But I hear your concern and yes, there was a lot of discussion and wordsmithing, not a perfect document, but I did want to just applaud Dan since I got the floor here for all of the hard work. There was a lot of time and effort that Dan put into this. Thank you again. Hopefully that answers a little bit more of the insight there, Bob, for you.

Eva Schulte: Thanks Dan, I would just echo the appreciation for the work and also the need. Faculty and Staff at Whatcom Community College, for example, are regularly stressing the need for greater affordability. We're losing talent, they don't choose to come here as they're not able to find a place. You all know those stories. I was just curious; in your research you've looked at what's the percentage of inclusionary zoning ordinances that are mandatory? Most of the inclusionary zoning ordinances I've seen are, so this is interesting to see how effective a voluntary zoning ordinance can be. I'd also add for the incentives, there's already incentives in place federally for tax credits, all sorts of innovative financing, loan guarantees. So if we're looking at incentives locally, municipally, what could those be? And a sense of how we would follow up both countywide and citywide around what incentive looks like.

Blake Lyon: When you go through the inclusionary zoning discussion and there are folks at the city that evaluated this back in 2011 and did the economic study. We're going through the process of redoing that economic study and evaluating that, at least at the city level, probably in the next year. The inclusionary zoning really breaks down as, you're describing, the voluntary, the incentive based, and mandatory. Most of the literature out there today describes if you're primarily interested in building units, then you have to go some mandatory route. Now there are some, that means whether you require people to build units within a project, build separate projects, donate land, pay money. There's a number of ways you can slice that up and have that mandatory. That production of units really comes at the forefront when you have a mandatory requirement. That doesn't mean you have to do that mandatory across the entire jurisdiction. You can do it in certain geographic areas based on a variety of different inputs and influences. When you start to get into incentive based, a lot of that can come through as you're talking about tax credits, density bonuses, title allowances, other relaxation permitting timelines process.

There's a number of different incentive-based tools that have been out there. There are some good resources, and I don't have them committed to memory, but there's a national institute which tracks all of this stuff and they can show you the strong proliferation of use of this type of inclusionary zoning across the country. In Washington State, the last time I looked at it has somewhere about 34 jurisdictions that are using it, and they break down what those different bases are. What we're going to have in front of us, at least I'll speak to the City of Bellingham, is a decision to make as to whether or not to bring it to the council, as to whether or not we want to go which direction with that; mandatory, incentive based, geographically, and what components based on that. The intention is to do that from an economic basis first and then build a policy.

Rose Lathrop: The Whatcom Housing Alliance is going to be hosting a meeting in December, excuse me, October 20th as part of our all member meeting. Everyone here is welcome, and we're bringing in Rick Jacobus out of Oakland and he's going to be coming up presenting. We'll be doing an all-member meeting in the morning, and I encourage everybody to attend and we can kind of learn more about what's working for cities of our size and our markets.

Ryan Allsop: Thank you.

Sarah Rothenbuhler: That's great.

Michael Lilliquist: Michael Lilliquist, City Council. One broad observation about inclusive zoning is that you find that inclusive zoning is more common in areas where housing becomes unaffordable and where you get mandatory versus voluntary is where housing affordability is the most dire. In other words, jurisdictions are driven to these out of necessity. You don't see that places with inclusive zoning are made affordable by inclusive zoning. It's almost the opposite correlation. You have to understand why it isn't that inclusive zoning makes things affordable, inclusive zoning as a response when things are already unaffordable.

Ted Mischaikov: Hi, Ted Mischaikov here, a little bit late to the dance here, but has there been a conversation around regressive tax and impact fees? Has that been brought up as one of the opportunities for lowering cost in a short term or long term?

Dan Dunne: Yes. We definitely talked about the cost of housing. So I think that broadly we look at the price of housing, there's a marked demand and people want a house. Then there's the actual cost, and those impact fees are a significant part of that. I think when you get into that, Mike might be able to

answer the question better than I. The question is, have these costs that the city needs to pay for, a school, a park, or whatever they need to do. Who bears those costs? Is it better than we maybe say, hey, look, if you're building a house, you do choose to build a home and somebody who earns 8% AMI will be able to afford that, then in exchange for that you have to pay an impact fee.

So we had that discussion. I think in here there isn't any specific request to increase impact fees on a particular person. But just generally what you're saying as part of the incentive structure for like, hey, if you build homes that are affordable, then that might be one option to look at reducing.

Ryan Allsop: And if you're getting more density in one project, I mean effectively they don't have, if the impact fees are the same for that project and then if you can actually gain density on it, then as a developer, it should be an incentive. Effectively it's an incentive and reduces per unit cost. And we talked a lot about the City of Bellingham, a single-family residence is almost \$40,000 to permit right now. County is roughly \$10,000, ballpark, plus or minus little. I think that's accurate, isn't it? \$35 to \$40,000 in that range. And for Bellingham, 80% AMI is...\$80,000 roughly. Troy came up with a number that a house would have to be affordable, 30% income or 30% cost of your wages or whatever. \$400,000 is basically an affordable house roughly, wasn't it? \$350,000 or \$450,000 in this town.

Troy Muljat: Yeah, it's a moving target, Ryan. There is a separate small group made up of a few of us, Rose and I, Ali, and an architect, and a contractor. We are actually running numbers on this exact issue right now, where we're using exact costs for a project. We're making some assumptions that if a certain percentage were of lower income or a certain AMI target, and if we got an increased density, would it even still be productive or economically feasible for a fee developer to come in and do that? It may not be, but we're running those test cases right now. I guess stay tuned and we'll tell you if incentives will actually work in a real market today.

Ted Mischaikov: Thanks for that. My comment was more so that impact fees and permitting fees are then part of the cost factor of owning the home. This \$40,000 impact fee or permit fee now becomes integrated into the value of the home, which now property taxes are paid in annually, \$40,000 is \$400 in property taxes that are in perpetuity and also have, typically, interest expense associated with it. When you talk about growing up in Bellingham and paying \$400 a month to rent or buying a house for \$40,000-\$50,000. Now, the equivalent of that whole purchase price is actually a regressive tax against those who pay the impact fees, which are typically the entry level home buyers and the renters. I think for consideration, again, late to the dance here, but I think simple math would be implementing a tax grant against the value of the impact fees. My house pays \$40,000 in impact fees and permitting. Perhaps my house might get a \$40,000 property tax exemption so that fee doesn't continue to carry the burden and drag on the economics of that homeowner. Especially in the case where we have people that are having a hard time affording a typical home and a new home comes with all the goods. So, pay it once, but do you really need to pay them in perpetuity?

Dan Dunne: And just quick follow up for that. There is a tax exemption called the Multi-Family Tax Exemption. It's still a lot along your line of thinking like, hey, this is how we can reduce the taxes on the assessed property in exchange for renting for a lower amount of rent. What you get is this, I think that's a lot of what we're looking at. We're talking about inclusionary zoning or making it voluntarily, making it incentivized, in finding those kind of things where the developer will say, yeah, you know what, it makes sense to have my homes be affordable to a certain AMI, because in exchange I'm getting this kind of thing.

Michael Lilliquist: Michael, again, I wasn't there, Ted good to see you again by the way. They had long conversations about impact fees, but there was a lesson, actually, that you taught me several years ago that has to do with the difference when a waiver of an impact fee applies to the developer and the development cost or whether that applies to the eventual owner. What I took out of that, maybe this is the lesson you're teaching, is you really want to get it to the owner. The person who has to buy the property, the first resident in, and if we give it so it reduces the developer cost, that may or may not carry through to the price. The market may set the price and it may not ever make it to where you want to make it. It's a more complicated program to come up with, as you say, a tax credit or a tax break that benefits the owner. I think that's why the Multi-Family Tax Exemption works better than other mechanisms, as it clearly accrued to the eventual owner for the first few years or ten years.

Ryan Allsop: I think part of this document is also just to ask them to review that in the process and put those things on the table again. This isn't necessary set in stone on what we're recommending to do. I think that's great advice.

Ted Mischaikov: And these are some pretty clear funding costs, backing costs, paying impact fees at the time of occupancy versus permitting, to take advantage of grants like the multi-family waiver. With property sales forced market outtakes devoid of the impact, tax loss is pretty simple math. It's pretty straightforward and it's quite fair. Part of the conversation is fair about this.

Dan Dunne: Why don't we maybe look at that next section that's called 'budget' and I'll just kind of get through those five things and we can discuss. Then in the next section, called 'land and building permits' and we'll try and... for the Budget, the idea was to add one FTE planner to focus solely on affordable housing. That's both on the for profit and non-profit sector. The deal would be that one of the incentives would be, if you were willing to have homes that cost a bit less, then you get a designated person at the city who is going to help you walk through the process. In addition - Blake, your request is in the budget too - FTE needs an additional planner and permit tech, so we're going to support that. I have item two, hire staff to manage the Multi-Family Tax Exemptions of 8 and 12 years, which you have now. That deal is, you get tax exemption for 8 years or 12 years and in exchange you get both, you get the exemption and you reduce the cost of the rent for a certain amount of years. The longer you go, the better the exemption is. There's a new one that the state approved last year that will go out to 20 years, which is a big one, but the tradeoff is that you have to make your unit permanently affordable. It's a voluntary thing, but that math might work for some people. Right now we have released a little while ago, we've had some vacant positions at the city. Blake, is the rental inspection position still empty?

Blake Lyon: Yes.

Dan Dunne: And then you have, what, about a dozen positions that you're looking to fill?

Blake Lyon: Correct.

Dan Dunne: We support filling those. Using EDI funds as a long-term mortgage loan to pay for onsite infrastructure. Right now it's used for offsite infrastructure and, you can talk more about this.

Don Goldberg: The problem with EDI used for onsite is that it has to be publicly owned.

Dan Dunne: Right, yes, so we're thinking something like if there's a stormwater that is going to be given to the city as part of the project, that might be an example. But yeah, a lot of conversation happened on that. Item five is a little bit more of a wonky one. Right now, there's one portion of the funds that the Kulshan Community Land Trust uses to manage the housing fund that managed at a place called the Housing Finance Commission. And requested that we just bring all that into local funds or manage locally. Questions?

Clark Campbell: On that last point. Is there any legal requirement that it be funded through Washington State, or is that something that we can have the appropriate body with its planning departments or whatever make that call?

Blake Lyon: I think it is more of an administrative responsibility. So, to answer your question, we'll have to evaluate it further. But we have the mayor and I met with him just last week. That's part of the conversation, definitely in discussion.

Jori Burnett: This is Jori Burnett from Ferndale again, number four would just advocate for the use of EDI funds not only within the City of Bellingham, but in the small cities as well for this purpose?

Dan Dunne: Yep. I definitely agree, and Jori, something that you might talk about as well is having the Multi-Family Tax Exemption adopting that in the small cities as a way to grow development there. As far as I understand right now, it's in the city, Bellingham, but that's the only place that's using it. Do you know if people are using it outside the city?

Jori Burnett: Yep, we have it, we're using it, looking at possibly expanding it to specifically include affordable housing, where right now it is just for multi-family, but that's wading through our own legacy political perspectives.

Dan Dunne: Alright, so next section under that, is called Land Use and Building Permits. This is 18 items, so we'll start at the top. One to approve land use permits within four months, and building permits within three. I believe that is the statutory, where it should be, and clearly that's not what happens, so that's sort of our request so that we can begin to move towards more expedited approval. There's a lot of things to go into that. Yes.

Blake Lyon: And this is the part that I would just for sake of clarity and discussion, when we talk about these timelines, those are the city or the jurisdiction review timeline, not the respond to so, again, I talked about quite a bit is how do we have that collaborative conversation early on? We're getting a response. It's clear and concise and understandable about how you're going to respond to that. And the time it takes to respond to that is not part of this. So we just want to be clear about those timelines.

Clark Campbell: And is that approved or is that reviewed by?

Blake Lyon: That's what my point is. If the project comes in is submitted, we'll have a statutory timeline to review it. When we respond back to the applicant and their design team is putting together those responses, that time does not count. So then the question then becomes that if the communication is not clear and concise or if there is a feeling that it's somehow taking it in a different direction, that's where we can extend those timelines to get through the process. How do we collaborate effectively in terms of making sure there's a clear understanding of what's expected? So we're not dragging that out.

Clark Campbell: I'm talking about all permits. Not just residential or affordable residential. Or is it just for...

Dan Dunne: This would be, I mean, ideally this would be a goal, for anyone, if you came in with a house, like 'hey, I want to build a house on a single family lot in Birchwood', then ideally you wouldn't have to wait years to go through the process. Then like you said, there are two sides to any negotiation.

Blake Lyon: There's that option to do all of the above, right? So if the goal is to streamline affordable as one of those incentives that we're talking about earlier, can we set target timelines that are more aggressive with that? And how do we allocate resources accordingly between those kinds of things versus maybe the main stream of things? Obviously, the goal is to have some process improvements there as well.

Clark Campbell: Does it seem like that target would be easier to do if it was more narrowly defined? We're talking about all things commercial buildings.

Blake Lyon: Those are going to be complex projects.

Don Goldberg: And that is to do the standard of that to that.

Blake Lyon: And that's part of the expectation is that we set early and clear communication, and I imagine the small cities would do the same, right? What do they have in terms of their available resources? How do we be clear about what their level of expectation is upon submittal so that there's not a lot of, well this is incomplete because you're missing a, b, and c.

Dan Dunne: So, item two. (laughter) I think we've already talked about this a little bit. Key words here are we are advocating that the city does move forward with inclusionary zoning, that we would like to see the word voluntary and incentivized inclusionary zoning there. We discussed that, so we'll move on to number three. Adopting the pilot program, an ordinance similar to Spokane. Spokane ordinance that allows ADU's, duplexes, up to four-plexes in all single-family zones. Spokane adopted this as a pilot program. I think it's for a couple of years. They're going to try it out and see if it works. If works, great. If not, they'll scrap it or change it. We did the same thing with ADU's and then the pilot program. Total sidebar here, but on Thursday the Planning Commission is going to be talking about ADU's. If you have an opinion and would like to express it, that's a great time to do it. 7 o'clock, it's going to be a party, you should be there.

That would essentially be adjusting single family zones if you own a lot in Columbia or Lettered Streets, wherever and it's a single-family zone and you want to put in ADU on it, then it's just allowed by right. Like, great, go put your ADU on it. There's going to be some design requirements, those kinds of things. If you want to put a duplex on or which is basically an ADU, right, just two units on one lot and maybe they're together, maybe one's on the top of the other, or bottom, or whatever, then that's okay. Spokane goes up to four-plexes, I believe. Obviously, we want to look at that and say, is that right for the city? What we're looking for here is things where you go out to a bunch of people, the public, and say, does this feel right for Bellingham? And the majority of them would be probably say it looks like a good thing. Let's try that here. So that was that idea. I will take a breath here to get a wave feedback.

Ryan Allsop: You only got through two, so you don't have to worry about much.

Clark Campbell: The key issues with, when you start talking about four-plex development, is there any weeds and details, or is it just granted by right? If you have a house, and you want to put a four-plex on it, you have to create off street parking as part of that or put in covenants to...

Blake Lyon: And part of the discussion early on can be, is it within proximity to transit, you know, so you might have more of an opportunity to relax some of those in certain areas. This as written says all single-family zones. We might have some different shades of gray when it comes to that.

Ryan Allsop: Is the goal of this to develop undeveloped lots, or is this for tearing down houses and building four-plexes?

Dan Dunne: This is if you own a piece of property and want to do something with it. Then this gives you that ability, like if you own property and you just want to add on to your house, if you want to tear it down or build a duplex, great. If you want to add on to it or lift it up and put something underneath it, great.

Sarah Rothenbuhler: A lot of this is to remove the barriers to building. How many zoning codes are in City of Bellingham? 400?

Blake Lyon: No. Well, when you take all the different iterations, it's probably two or three hundred.

Sarah Rothenbuhler: That's unmanageable.

Blake Lyon: Nods- I think one of the things that we have to be mindful of, and this is part of where the evaluation comes into play is right now, the trend in most of the more traditional neighborhoods is preserve the existing home, remodel, add on, if we go that route. Or, for example, allowing for and you may see a lot of raising and new building and that may have some character impacts on the land.

Dan Dunne: So certainly a public process.

Jori Burnett: I think just echoing what Blake said, proximity, transit and other services are a huge component. I was going to mention just I don't know if we're going to have time to go through the county letter, but on this issue with the county allowing this in single family zones within UGA's want to push back on that a little bit because quite often the single family zones in UGA's are placeholders where that might not be the ultimate zoning that the cities put on there and would want to place the cities in control of that urban planning as opposed to the county where the cities are more geared to it versus a county doing that urban level planning.

Dan Dunne: And I think there's a lot of conversation to be had around this particular item and certainly out of the county that that idea of who's going to control the zoning on this particular parcel, whether that's the city now or county now or somebody in the future, I guess that's a good conversation to have. Moving on to number four.

Ryan Allsop: For the sake of time, Clark, do you think 15 minutes is enough for your...?

Clark Campbell: I can shorten it to whatever we need.

Sarah Rothenbuhler: Aim for 10, go for 15, and we can shorten our topic to 5 minutes. So if I'm doing my math right, Dan, you have the floor until 12:10.

Ryan Allsop: We should get to item seven by then. Laughter

Dan Dunne: So item four is allowing building permits to be approved by third party outside sources. That would be instead of going to the city, you know, you have a consultant or a contractor who can go through and check the box like if that works, doesn't work. Item five...

Don Goldberg: Question, is that paid by the...?

Ryan Allsop: Maybe we can make a suggestion to ask questions at the end. Can people make notes of specific items they want to come back to if we can just make sure to try to get through the list. You can kind of read it to us and make sure we've all seen it once. I'm worried we're not going to see the whole thing.

Dan Dunne: Yeah, that's great. Ok, item five, digital permitting for land use permits. The city, you have digital permitting for the building permits, which is great it works very well, but not for land use for a few reasons. But it means you have to email asking 'what's the status of my permit?' As opposed to just seeing it on a dashboard.

Six, the Infill Toolkit originally designed to bring...you've got a big property in Birchwood and you want to put four units on it instead of just one, this was one tool that you had to do that, a policy tool. It's wound up being a little bit different in like some of the big projects that use it are like North of Costco, the huge development up there. It was greenfield and it basically is a suburb development, but they used Infill Toolkit for it. Where I think it's meant to be used, it's not really getting used very much. Some changes to that, and these are a little bit wonky as well, are to allow a residential binding site plan to simplify the whole process. To allow it in all residential zones, including UGAs, remove FAR, remove green factor, and make it a type one process which has to do with location allowed by right. Reduce design review by adopting form-based code and reducing design standards, especially ones that are consistently modified by the planning directors that are just going through and saying, 'Hey, what were all the administrative approvals that happened and what are the ones most common?' We'll just make the part of the code.

Seven, allowing single staircase in multifamily buildings, this is more for large existing buildings downtown or built a long time ago they have a staircase, and with the code that you have now, you need to have two staircases for egress. Seattle adopted a code that has a bunch of requirements but allows you to use one staircase. Item eight measuring floor area to the exterior of the stem wall on small buildings like ADU's in the City of Bellingham. We measure to the exterior of the siding, with the energy code changes that add more insulation between the sheeting and the siding expands that essentially your circumference is expanding and reducing your volume. When you have a small area, the impact of that measurement, the distance between the interior and the exterior, as that distance grows, it has an exponential reduction in the actual usable square footage. Again, some of these are kind of wonky.

Item ten, extending Critical Area Permits and Consultant reports to do with Preliminary Plats and Infill Housing. So right now, some things require two years, some things five years. You get a situation where

your Infill Toolkit permit expired, but you're still trying to get through, say, your critical areas. So just line all those up to five years.

Item 11 allowed applicants to bond clearing, grading, and stormwater permits before the PFC is approved. That's more of a subdivision kind of thing. Item 12, expedite permitting for permanently affordable housing, having permit sets approved within 90 days. That would kind of tie in to having another person at the city who was just there to help manage the projects. Item 13 the city is kind of doing, preserve existing mobile home parks. Item 14, this is specifically for land trusts. Increase the earned density bonus in BMC 20.29, which was called the demonstration ordinance, up 200%. Item 15, adding back up signers at the city for the mylar right now if somebody goes on vacation, nobody else can sign it.

Item 16, create a minimum 7-day notice for Hearing Examiner. Sometimes folks get the notice on Friday they have Hearing Examiner on Monday and that makes it a little tight to do that. 17 is starting to take care of the state, but there's a rule of three on the books that regulates technically the number of unrelated people within a given house. I don't think it will hold up in court, so just get rid of it. 18, increase the notice period for rent increases to 90 days. Give people a little more heads up when that is changing.

Blake Lyon: Olympia just passed something where if your rent is increasing by 5%, it's 120 day notification, and by 10%, it's 180 day notification. So that may be just an alternative for consideration.

Clark Campbell: That passed in...

Blake Lyon: July.

Dan Dunne: Any more questions? That is awesome, let's move right along. With our planning department staff, our suggestion was to schedule informal monthly meetings between planning director and a bunch of other people. I think part of this, what came out of this is like, hey, when we're all in a room together. We'll just sit down and talk, you can bring in a lot of issues and hear from both sides. The people that we feel that you should be talking with, that I think you already are, is land use consultants, tenants, for profit, and nonprofit developers and just get feedback in both ways. Requiring phone calls, requesting is a more polite way to say it, phone calls, emails return within two business days. That's just basic like professionalism. And tighten coordination between public works and planning. Right now, those are kind of siloed, you've got public works over here and planners there with conflicting requirements or requests on same areas of projects.

Blake Lyon: From a planning staff perspective, the number two has been that it's been decreed. So, yes.

Dan Dunne: That's awesome. I have heard from a number of developers that they've been really impressed with your response and with you've been able to listen and talk and work onsite. And the projects have definitely improved since you've been in. We appreciate that. Items under the comprehensive plan, just so we're aware of this 2016, we had a Comp Plan, which goes 20 years. So 2036? I guess, the next one's going to happen..

Blake Lyon: Can I clarify?

Dan Dunne: Yes.

Blake Lyon: So the 2016 comp plan has a planning horizon of 20 years, but the next comp plan is actually coming up and is due in 2025, which will set out the horizon to 2045.

Dan Dunne: Thank you. The annexations that we would like to see in that would be for UGA reserves. You go up the Guide passed Walmart, you end up there on your left, there's the golf course. Caltec would like to turn that into homes, which would be great but they need to bring that in. Yew Street, going uphill up to the crest, bring all that in. And Alderwood. Item two would be to be create a wetlands mitigation bank available to developers, the city is already making a mitigation bank we're just asking that at the prior developer you could buy into that. Three, in the comp plan there's an analysis of cost burden household. So people who are not just paying 30% of their income in rent but are paying 40 or 50% or more. And right now, the people that we look at, it stops, I think like 80% of AMI or something like that maybe 60%. We're asking that the analysis be expanded to 200% of AMI so we really see where that curve is because the people who are making average or area median income who are still cost burdened, who are spending way too much money on rent. We just want to get that visual of where that curve is.

Sarah Rothenbuhler: I.e. future planning department employees. (laughter)

Blake Lyon: And Planners (laughter)

Michael Lilliquist: Just to note, the city actually does have some of that data. We did that analysis a couple years ago, but I think it was a one-off exercise at that point.

Dan Dunne: Yeah, did you guys go up beyond 100% AMI?

Michael Lilliquist: Yeah, there was like a 120 and up category. So the consolidated plan sounds like a comprehensive plan, but consolidated plan really has to do with our housing obligations under federal law. I got that right, Blake? And that had it in there. So again, it was more of a one-off exercise, and it wasn't part of the comp plan, it was part of the consolidated plan. So, it seems very doable.

Dan Dunne: Yeah, I think so. Then, item four is that when we're looking for outputs, it's hard to say when have we succeeded? What is the goal here? Item four is just some numbers on where we say when we're getting these numbers, we're in a healthier housing market. So that'd be to have a rental vacancy of 3 to 5%. Right now, we're at about 1% or less and available housing supply for six months for all income levels, saying that there's enough housing on the market for four to six months of supply there.

Blake Lyon: I want to say one thing to that, that part of this group's input would be helpful is to understand, we all feel like we're in a housing crisis. When do we get out of that crisis versus when did we get to an optimal state? There are maybe a couple layers in that conversation. It doesn't have to be all or nothing. It can be, hey, what gets us out of the crisis? What gets us to where we're still in an area that might be challenging...

Dan Dunne: But what is considered a healthy range?

Blake Lyon: So just having a few shades in there now...

Sarah Rothenbuhler: We're in the red light. Soon we'll be the yellow, and hopefully green.

Blake Lyon: Right, red, yellow, green or whatever we feel like are the strategies that need to be in there. But I think we're all in agreement that we're in a crisis right now.

Ryan Allsop: Troy made up all these numbers. So you can blame him (laughter)

Dan Dunne: So last section is more for when we're dealing with our state reps and that's to legalize ADU's across the state, just make it easier to make it so that everybody in all jurisdictions know what they're dealing with. And two, at the state level is to change single family zoning to allow higher density and more housing types. A lot of conversations about what that actually looks like, what's allowed, what's not allowed.

Item three to reform condo law to appropriately limit liability to developers and builders. One thing we used to have is that people were building condos. You could buy an entry level condo, a one or two bedroom for a couple hundred thousand as an entry level product. And as your needs change, whether you stay in a condo or not these days the condos that are getting built, a lot of them are very expensive because there's a thing called a condo wrap policy, it's an insurance policy. When you build your condo, you buy this insurance policy, you're insured at seven to ten years, whatever it is. If you get sued, then the insurance policy covers for that. There's so many lawsuits involving condos that are being built these days, then nobody builds them anymore. That housing product is just off the market now. There's a lot of questions about that, and we don't want to have a point where people are moving into terribly built condos and then they have nowhere to turn for restitution. We also don't want to have a point when, like now where nobody's building these units, and it's a pretty good product for the entry level, affordable side of things.

And then the last item is increased flexibility for funding incentives for workforce housing. A lot of the money that comes in has a specific target for AMI. All the money has to be used for a building that has only 60% AMI or 80% AMI and makes really difficult for Kulshan or the housing authority, or anybody to build a home. We're like, Hey, we've got 100 units that are at market rate and we've got 50 units that are 60% AMI, we'd like to use public money to fund those 60% units and then we'll use private money to fund the rest of them and we'll balance that out. It's hard to build that kind of home and that's something to be dealt with at the state, not the local level. Questions?

Don Goldberg: I had a comment, is there any information about updating the GMA laws? Per state, there's a lot of the restrictions at the city level are done by the state level GMA laws. Historically, they move forward based upon the past, and we know that we haven't met the need from the past. So the future is going to hold the same thing. I would say that we need to address the state GMA laws.

Sarah Rothenbuhler: Add a number five.

Dan Dunne: Any particular thing that you want to see changed?

Don Goldberg: I believe it's every ten years. That would be the first thing, it would be updated more often than ten years. We're in a growth phase, the Northwest is growing faster than anybody thought it would. We're always behind on supply and cities are not able to change their UGA's based upon their GMA laws. One of the things would be to update it more often.

Ted Mischaikov: And I think there's a vocal part of that issue that localities choose one, two or three; small, medium, large growth. Is that correct?

Michael Lilliquist: Under the planning framework, the county and the state commerce gives a range of growth trajectories. Then it's a choice, I don't think it's small, medium, large. But there's a range and usually you get a low, you get a high, you get the medium. There's kind of a default pressure to go to the medium so you can't take the blame for getting it wrong. I think we actually shaded like one hair above medium, the city did last time. So there's a range.

Ted Mischaikov: But maybe there's a policy emphasis, to take the highest number. You have the most proactive planning, because you can always do less. The difficulty you're speaking about is not doing more, and going back to the Caltec Project, that Bellingham has for UGA expansion in terms of utilities, density, planning...Make them higher, shooting for higher provides more capacity...

Don Goldberg: And adjust those numbers more often because if we see that our growth is stronger, we can't just turn it up.

Dan Dunne: Sorry, just a side bar you might have been there in 2015, They're like, well, we can't fund infrastructure, so we're going to take the low, is that what I'm hearing you say?

Michael Lilliquist: Yeah. We took the low number...this all works backwards. If the city planned for a larger population, well that legally means is now we're obligated to build the roads, the new roads, the new bridges, and in Bellingham particularly add new parkland. That then automatically, by numbers alone, drives up our impact fees. I would caution if you would like to control impact fees to not drop those high growth numbers officially as part of the comp plan. What it does is it obligates the city to plan infrastructure and drive up costs. It doesn't mean you can't plan for greater growth. I just wouldn't lock it into that mechanism.

Michael Lilliquist: Let me give you an example, if we expect another 10,000 people and we estimate that park land for 10,000 new people, that's 100 acres. I'm making that number up. Then we do a little pro forma. How much does it cost to buy 100 acres of undeveloped park land in and around Bellingham? Well, we come up with another number, 40-50 million, that now becomes the city's financial obligation.

Lance Calloway: It would be great if we could adjust the money assigned to the park land, and maintain the ones we currently instead of building new ones.

Sarah Rothenbuhler: And that would be prudent, there's another update.

Michael Lilliquist: But impact fees are all about building new parks, not maintaining them. I'm just saying there are legal things which drive city spending and understand those implications. Which is not to say planning for growth is a bad idea.

Sarah Rothenbuhler: Or do a proposal for change, with that, updating to modern day.

Ken Bell: If we're going to make that comment, I mean the comment was that the Growth Management Plan is restrictive and it's not responsible for those fees. I think the response needs to be less about the bandwidth that we're asking for. Let's talk to the Growth Management Act and talk to those legislators

about how do we get more local control over what the Growth Management Act is dictating to us. Because for me, if you walk in and they say, my hands are tied. I want to do it, you want to do it, but the Growth Management Act, this is more than just finding that right bandwidth and working for infrastructure. The Growth Management Act has a number of issues where it has tied the hands of local municipalities and it's trying to be too broad of a brush for some very micro economic regions, not to bring Jori back into this, but he's got different needs than the City of Bellingham. Right? So the Growth Management Act, I think, needs an overhaul completely, and I think maybe that's the recommendation is that we need to make it more responsive to the local needs, local control if we don't have the same needs as Monroe.

Dan Dunne: Yeah, so basically, we want to switch over before we go. All right, in 5 minutes, I'm going to go to the county,

Clark Campbell: Real quickly on the GMA, it sounds like there's a linkage. You want to be able to lessen the impact of GMA, you have to accelerate your growth. But if you accelerate your growth you're going to accelerate your impact fees. So I don't know...

Sarah Rothenbuhler: Update GMA so we bring logic back in.

Clark Campbell: That's a laudable goal (laughter)... It sounds like within the constraints of GMA today, the only way we can get some of the things we're talking about here is to accelerate the growth numbers and the comp plan. And then we do that, you increase...

Don Goldberg: Congress is working on GMA right now. So it's a good time to put our thoughts in.

Clark Campbell: So I guess the last point on that, given all those linkages, are we proposing a point five GMA added to document to sign...

Dan Dunne: One thing to note is that I have on this letter. There's a number of people who signed this letter specifically with this language. I wouldn't be able to change this language without asking all the people who signed, 'Hey, are you still okay with this new language?' But we certainly can say here's the letter from this advisory group...

Clark Campbell: Is there anything that has been excluded from the city one?

Dan Dunne: Yeah, basically this, but minus anything that has to do only with the city. And the overall section is the same. On the budget items, it's reduced to three items. So adding an FTE planner, adopting the Multi-Family Tax Exemptions, and talking about the EDI. For land use, we eliminated everything about ITK because they don't have that out in county, and specifically city things. Planning Department staff was basically the same, comp plan was the same, and state looks like it was the same. So the core differences were really in the land use and building permits and removing a lot of those things that are only dealing with the city.

Dan Dunne: Yes, so we've got this one that those people signed. I can put that one to bed, and then we've got this one over here, which is the city, which is what I'll be asking you to sign today. And on that one, it sounds like we're going to add another section or another point, which for the state. Is that correct? And we draft it out here. The language you want to use is request that the state update the GMA to reflect.

Don Goldberg: Local control...

Sarah Rothenbuhler: You're our wordsmith, come on Michael. (laughter)

Ryan Allsop: On a more frequent basis. Local control on a more frequent basis.

Don Goldberg: To make more frequently.

Ryan Allsop: Just so we're clear again, you're adjusting the county letter, not the city letter because we've already signed the city letter.

Dan Dunne: Right, yeah, so I have one city letter that's been signed by other people, I'm going to put that one there, say that that one...**(talked over)**

Ryan Allsop: You're going to do two new letters.

Dan Dunne: There's going to be one letter that's just basically....**(multiple voices)**

Dan Dunne: Ok, so update the state GMA to more frequently, and....**(multiple voices)**

Ryan Allsop: If you can make that change in the next twenty minutes, we can sign it on the way out.

Ken Bell: Can we just vote on that, reflect the vote in the letter, and let Sarah sign for the group?
(multiple voices)

Dan Dunne: I want to make sure I have the wording correct. Request that the state updates GMA more frequently and provides more local control.

Ryan Allsop: That's what I heard.

Dan Dunne: Okay. Sounds good.

Michael Lilliquist: Can I make a little comment?

Dan Dunne: Yes.

Ryan Allsop: Again? (Laughter)

Michael Lilliquist: Yeah. (laughs) So one of the reasons, there are some mandates that have been talked about, pushed through the GMA from the state to local governments, which are in direct alignment with some of the things you're asking for here. For example, allowing duplexes, triplexes, row homes in single family zoning. If you give more local control, you will find that many jurisdictions will reject that specific proposal. I think you have to realize that giving local control also empowers local governments to resist these sorts of ideas. That's how I feel it will play out at the state level, is that you'll often get that kind of resistance to these kind of ideas is wrapped in a 'Hey, you can't tell us what to do, give us more local control'. So please realize local control can cut any direction.

Ryan Allsop: Both ways, though. So right now, it didn't go through. (multiple voices)

Michael Lilliquist: Local control is really important idea to realize that which direction it cuts is unclear. And sometimes I assure you it will cut directly against these sorts of proposals.

Clark Campbell: We might want to take it out, we might be going a little bit fast here on a lot of detail and none of us have thoroughly studied GMA other than to know some of the negative consequences of it. I think in the interest of trying to get something passed and move forward, I would say less is more here as opposed to let's add more. At the pace that we're going right now. There's some really good work here and I'd like to make sure that that gets highlighted and gets passed to the folks in planning at the city level and folks in planning at the county level that can create some of the impact that we're trying to do here. If we try to boil the ocean and fix federal government and state government at the same time, those are statements of intent I get. But we may not quite clearly understand the issue here on how that knife cuts both ways.

Dan Dunne: Yes, certainly the easiest thing is just to sign right here on these papers. Then this becomes one thing that we say, here's our thing. But I can certainly make a new letter. Also, GMA is a huge topic that has lots of meaty stuff to get into. Like, for example...

Clark Campbell: It might be a whole other initiative for us to take a look at as a group.

Dan Dunne: Yeah. There's a lot of things that would be in there you could make one of these just about that. So how do you want to move forward? Do you, this is for the voting members of the committee, do you want to sign this thing with everybody else? Do you want to have your own document?

Sarah Rothenbuhler: What does the committee think? Sign this proposal or a separate one?

Clark Campbell: I think one way we could do this is to have Jen draft a statement that we then sign that says we are signing on... that we are signing on in support of the points outlined in the letter.

Sarah Rothenbuhler: Seth, are you still on here?

Seth Fleetwood: Yes

Sarah Rothenbuhler: Are you going to pay more attention if you get a letter direct from the committee and second one from the community? What's going to make the biggest impact?

Seth Fleetwood: Well, we're paying attention now. Is the question whether to send it to me via an attachment or a formal letter? I apologize. I didn't catch that?

Sarah Rothenbuhler: We're just trying to figure out if we, as the Business Commerce Committee, send you the proposal signed just by us and then there will be an additional signed by the community or do we as committee sign the proposal already being signed by community and you just get one proposal? How will it make the most impact. Multiple presentations of the same proposal or one proposal with a xload of signatures? (Laughter)

Seth Fleetwood: I think that...Did you say xload of signatures? I thought I heard something different. (Laughter) Yes, there's certainly impact in knowing who the signatories are. However, if we just get something from you. I'm going to know who it's from, It's filled with really good stuff and I'm looking forward to just sitting down, among other things, with relevant staff at the city, among others. I'm sure this is going to find its way into conversations with the council. I know that some of your recommendations about just getting together with delegations from industry with planning staff on a more frequent basis is something I look forward to doing. It's chock full of good stuff. Whoever just said there's a lot of really good work in this, I share that. In any case, but send it over in any form you want. I think how you characterize it the first time is probably the best way.

Dan Dunne: Good. All right. I would say if it's easiest, since Seth's listening, Blake's listening, let's just sign it today

Seth Fleetwood: Are you intending to send it in the next week or so?

Ryan Allsop: Sure.

Sarah Rothenbuhler: Absolutely.

Ryan Allsop: We're not changing it. I mean, are we comfortable just saying as a committee that those that want to sign it can sign it? And those that...(multiple voices)

Ryan Allsop: I'm not swearing. So there's no reason...(multiple voices, laughter)

Clark Campbell: If you have a motion, you can bring a motion to vote on the two separate letters, separately. The motion can get seconded, and then voting member can vote yes or no or abstain.

Ryan Allsop: Why don't you make the motion?

Sarah Rothenbuhler: Clark? You're our motion maker.

Clark Campbell: I will move to bring the City of Bellingham letter first as a motion for support from the Business and Commerce Advisory Board.

Ryan Allsop: Second.

Debbie Ahl: I'll second.

Sarah Rothenbuhler: So moved.

Clark Campbell: We have to do an individual vote.

Sarah Rothenbuhler: Okay. Let's vote.

Ryan Allsop: If you could use the little hand signals that would be great, so we can see.

Don Goldberg: Do we need to repeat that, or is this good?

Sarah Rothenbuhler: Lord no, let's keep moving forward. (laughter) All in favor? (all are in favor) All opposed?

Jennifer Noveck: Looks like it's unanimous in favor

Sarah Rothenbuhler: So let's move forward for the letter proposal to the county. Clark, do you want to make the motion?

Clark Campbell: Yeah, I'll propose a motion to approve the letter as drafted or proposal to increase access to housing, all income levels in Whatcom County.

Ryan Allsop: Seconded.

Ryan Allsop: All in favor?

Jennifer Noveck: All in favor on Zoom.

Ryan Allsop: And in person.

Sarah Rothenbuhler: Okay. Awesome, So moved.

Dan Dunne: Thank you, everybody.

Ryan Allsop: Thank you, well done.

Debbie Ahl: And I know it's already been said once, but I just have a great appreciation for the work that went into this. Sarah, I'd like to thank you for your leadership. And Clark, I know you're right in there to. This whole process of looking at things by subcommittees and really diving into it and bringing things back to this group, I think has been really productive. Thank you for everything.

Sarah Rothenbuhler: Thank you. It's actually been wonderful working with everyone on this and having the city, county council, staff, Blake involved. There's been a collaborative let's move forward attitude. It's just been a lot of work but really nice.

Ryan Allsop: Alright Clark, you have five minutes. (Laughter)

Clark Campbell: I can go really fast on mine. I'd like to report back to the group on the Help Children, Child Initiative Fund. That's a ballot measure that was approved by County Council for a vote of the public in the upcoming election. There's been a couple of working group meetings of that, the group that's been involved with this issue for over ten years. There's kind of a long pedigree of which part which begat which in terms of different groups coming together with the recommendations. But before we go into this, we did get some clarification from county legal that because this is a vote measure before the public vote, unlike what we just went through with that very high speed and thorough process to come up with a vote of endorsement as a county body. We are precluded by our...rules to take an official stance on one measure before a public vote or candidates for elected office. With that stated, we're not going to be asking for an endorsement from this group. The previous letter that we had drafted is not an endorsement

of the initiative. It was more thanking the County Council for bringing it to the public. With that said, what we can do as a group is educate each other on what is specifically being proposed and what the potential impacts to the county would be. Without getting into reading the actual initiative from the voter's pamphlet that's there for all to see. It basically is a levy lift that will fund childcare, and specifically it's focused on child care from 0 to 5 years old.

You can look at child care broadly or narrowly with the funding that's been proposed, which is likely to generate about \$8.2 million for our county. That requires a narrowing of scope. There's already funding that can be done through the public schools, your taxes that go toward that for kindergarten onto 12th grade. So outside scope is passed kindergarten. It's really about trying to address affordability, availability and quality and professional workforce and then scaling that out for our camp. So that's the intent of the initiative. Initiative is initially fairly narrow in terms of scope because of funding that it would be bringing to the county. That funding would most likely, like a lot of these other measures, attract state level funding and other federal funding, which would enable them to expand beyond just the narrower scope to... It's also got a ten year sunset, so it would have ten years of funding and then would have to either be reauthorized or with sunset. So without going into it, just the details of the initiative, my recommendation to the voting members of this group is to take a look at... I've read it twice because there's a lot of discussion that just kind of reported on what came out of those working group meetings. The working group meetings were really to try and define what the goals were around affordability, access, quality and professionalism in the workforce. That very quickly spun into a whole bunch of discussions about how are you going to measure quality, how you measure...

And to me, that's a bit of a diversion here. What we really should be focused on is what the programs that are being proposed and what the impact of those programs are. And then if this were to pass, once it passes, then our group as the Business and Commerce Advisory Board, would be able to sit with the group to determine how to implement some of the recommendations. I think to take it really quickly, I would say take a look at this document, read through it if you're a voting member on this, so that we are all familiar and then the kind of key components, the main beyond the goal level is three specific programs that they're going to be looking at.

One is subsidies for wages for people who are employed in this sector. You're not going to scale this at \$14.50 an hour. So if that's the average hourly wage rate, we're going to need to do a public/private thing to support that. So that's the initiative. Two more points. Shared services have a couple different models there in the document. They go into very specifically on what those are. And then capital grants for the small capital grants that can go toward funding actual facilities. So I've dug pretty deep into it. If you have any questions on how the money is being proposed, how much it's going to raise, I am happy to answer those.

Casey Diggs: I'll take your advice and read it, I'm just curious who is going to be managing that money? How will daycares and preschools and even Montessori schools be able to, are they going to have to call Satpal and say...how do they get that?

Clark Campbell: Yes. My understanding again, that's my disclaimer here. I'm not the expert on this, but the health department will be involved with administering the distribution of the funds. They've been allocated 9% of total, something like that. And they put together a proposal, a draft proposal, for that that would pass an additional headcount on doing RFP reviewing, doing grant writing, but they would not be administering. They'd be administering the fund and its distribution. Things like the central services of

those would not be likely to be the health department. It would be another initiative that would be used with the remaining 7.5 million that is raised.

Sarah Rothenbuhler: And we as a committee can't formally back this, but individually we can.

Clark Campbell: Yes, we can individually. So, yeah, like the letter that we just saw here, as members of the voting public...

Sarah Rothenbuhler: We can endorse.

Clark Campbell: We can endorse. Individuals of the community can choose to endorse it, but not as a body. That was as high speed as I could go. We'll have much more detail later on.

Clark Campbell: What I can say is it's not just a big slush fund that a group of people from the health department are going to suddenly be in control of. There's a lot of expertise that went into it from the public. And then the Econ Northwest Group, that was a group that was commissioned to do that study, it's very recent. It just came out in August. The numbers are up to date, and they were involved in the Multnomah County's measure that did just pass for pre-K for all. They've got some sector expertise in this area. They've looked at our numbers, seeing how bad they are, and they made very specific recommendations. And those recommendations are likely to be the things that are coming out in those three buckets. Workforce payroll subsidies, a centralized administrative hub, and grants for capital infrastructure.

Sarah Rothenbuhler: Thank you Clark, I'm going to move us to our final topic, and apologize now for running 5 minutes late, and change direction to introducing our committee subcommittees which have been formed this year. We'll start with the Childcare Subcommittee. Clark and Guy Occhiogrosso are co-chairs of that. You can see that there's been a lot of time and work done on this subcommittee, so thank you so much. (multiple voices)

Sarah Rothenbuhler: I just wanted to give a brief overview of the rest of the subcommittees. I've asked that we have a committee member and a member from the general public as chairs as this was so powerful with the housing subcommittee co-chairs Dan Dunne and Troy Muljat. The general members are all who attended and contributed. I apologize if I've forgotten anyone and I apologize if you're on there and you didn't realize that you're on there, or maybe I don't apologize there but congratulate you. (laughter)

Our Public Safety Subcommittee is just forming. Ryan Allsop and Erika Lautenbach are going to be heading - beheading isn't really the right word (laughter) Co-Chairs, you know what I'm trying to say.

Water/Ag/Fish Subcommittee with Co-Chairs Dana Wilson our Marine Trades Committee member. He slipped in a little bit late, so we didn't get to introduce him, Brad Rader and Paul Burrill. But there's been some just initial very good work somehow there was this theory that fishermen and farmers don't get along or don't have the same passion for the community and the health of the way our water is managed in the community. And we found that the more people we get in the room there, there's a lot more common goals and care, I think they will have some presentation in the next couple meetings.

And then another Subcommittee that just was born today, Casey Diggs, (laughter) is our...Congratulations Casey, Co-Chair with Gina Stark another congratulations (laughter) looking at policy current and

upcoming. Policy may get started with good intention and then there's unintended consequences or it's just adding more layers to what was already in place. Erika actually recommended it and Casey has been keeping us updated if he feels there's proposed policy...

Ryan Allsop: Casey is probably on the public safety subcommittee as well.

Sarah Rothenbuhler: Right on, congratulations again. (laughter)

Ryan Allsop: I met with Jim Harle of ...Center, which is the largest pediatric childcare center. And Jim said he would join as well, which was awesome. Professional psychiatric help will be good.

Sarah Rothenbuhler: That's very wise. We'll attach the Sub Committee outline to meeting notes. We're just getting started with these this year and general public are welcome to join.

I would like to take a moment to recognize Jennifer Noveck. Jennifer has been most instrumental from the Port standpoint and has been a huge support of this committee. She brings a wealth on knowledge on any topic and's also is a great guide on who to talk with on various issues. She's also been involved in almost all our subcommittee work, has attended meetings and she takes phone calls and emails and texts 24 hours a day, seven days a week. Thank you so much Jennifer. We really appreciate you.

Ryan Allsop: We have been putting in a lot of hours.

Sarah Rothenbuhler: Yes (laughs) With Jennifer's hours I think we actually use maybe about the same amount of hours as previous years because we don't have the formal agenda meeting. So I hope we just grew in our efficiency.

Jennifer Noveck: Yep, we're working on the work.

Sarah Rothenbuhler: We're working on the work. That's it! Thank you, everybody for staying late.

Ryan Allsop: Call the meeting closed?

Sarah Rothenbuhler: You bet. Meeting is closed.

Meeting Closed

Next meeting: Monday, October 17, 2022, 11am
Hybrid Meeting- In-person encouraged and Zoom option available!