

Whatcom County Business and Commerce Committee
Meeting Notes
March 20, 2023

Voting Members Present: Debbie Ahl, Ryan Allsop (Committee Vice Chair), Paul Burrill, Clark Campbell, Brad Rader, RB Tewksbury

Voting Members Not Present: Pamela Brady, Pete Dawson, Casey Diggs, Troy Muljat, Bob Pritchett, Sarah Rothenbuhler (Committee Chair), Chris Trout, Dana Wilson

Nonvoting Members Present: Mayor Seth Fleetwood, CJ Seitz

Nonvoting Members Not Present: Small Cities Representative Jori Burnett, County Councilmember Tyler Byrd, Andrew Gamble, Don Goldberg, Eva Schulte, County Executive Satpal Sidhu

Public Present: Port Commissioner Ken Bell, Josh Burdick, Barbara Chase, Dan Dunne, Jessie Everson, Jasmine Fast, Jon Hutchings, Mauri Ingram, Bryan Jones, Darcy Jones, Pamela Jons, Dr. Jim Lemerond, Blake Lyon, Tim Northrup, Jennifer Noveck, Guy Occhiogrosso, Anna Robbins, Andrea Ruback, Senator Sharon Shewmake,

March Agenda

Introductions / Administrative business / Comments welcome from the Public (15 mins)

- Committee Chair calls meeting to order
- Committee Member Introductions
- Approve February minutes
- Review and approve revised bylaw language
- Invite public to participate along with Committee members during Q&A sessions

Update from WCBCC County Council Representative Councilmember Kathy Kershner (15 mins)

- Q&A (20 mins)

Update from Dan Dunne, Housing sub-committee Co-Chair, on WA State Legislation related to Housing (15 mins)

- Q&A (20 mins)

Ryan Allsop: We could probably get started. And so, I'll bring the meeting to order.

Clark Campbell: Second.

Ryan Allsop: And I guess a who's here from the committee or from the public or what we typically go through. So— Ryan Allsop, Allsop Incorporated.

Clark Campbell: Clark Campbell, Gear Aid, representing Outdoor Recreation.

Debbie Ahl: So I'm Debbie Ahl. I'm representing for-profit health care. And for those of you who mentioned already, I'm retiring from my local nonprofit, Mount Baker Foundation, executive position as of May, but I'm keeping my client in Dallas.

CJ Seitz: CJ Seitz, I represent higher ed, Western Washington University.

Paul Burrill: Paul Burrill, food processing.

Ryan Allsop: And online, we have two or three.

RB Tewkesbury: RB Tewkesbury with Market Works.

Seth Fleetwood: Seth Fleetwood, mayor of Bellingham.

Ryan Allsop: Thank you for being here, Seth.

Seth Fleetwood: Yeah.

Pam Brady: Pam Brady, Cherry Point Refinery.

Ryan Allsop: Pam, thanks for coming.

Ken Bell: Ken Bell, Port Commissioner, Port of Bellingham.

Ryan Allsop: Anybody else.

Jennifer Noveck: We also have Dan Dunne here online. So not a committee member, but he's giving an update today.

Ryan Allsop: He is giving an update. We are still working on him becoming a committee member, correct? It will be part of the update today. Yeah.

Jennifer Noveck: Yep. And the ordinance, I believe, goes to council for discussion tomorrow.

Ryan Allsop: Yeah, I think Kathy has an update for us on that.

Kathy Kershner: Yeah. Kathy Kershner, Whatcom County Council, Non-voting member.

Ryan Allsop: I think at this point we'll hold on any other voting, I think. How many votes do we have?

Clark Campbell: We can't vote on minutes or approve the bylaws.

Ryan Allsop: So hold on those and maybe just move right into Kathy's update. Do you want to start with that?

Kathy Kershner: Start with that? Okay. Yeah, this is Kathy Kershner, Whatcom County Council. And as a result of the last month's committee meeting, I took an ordinance to the Whatcom County Council to add two positions to the Business Advisory Committee. And so I believe you've got one in construction and one at large, that will be voted on the public hearing tonight and council will take a vote on increasing your membership by two.

Ryan Allsop: Obviously Dan being construction. Hopefully, as we're planning on it.

Clark Campbell: And just how does that work? So we would be— the actual ordinance would be to add two new positions for those industry sectors, then a separate process that we have to go through for adding specific candidates for that.

Kathy Kershner: And so once the ordinance is updated, then Jill will send out notice for vacancies and then people who are interested can apply. So I guess at the earliest, we might see that in two weeks from tomorrow.

Ryan Allsop: Okay.

Kathy Kershner: Most likely a month from tomorrow.

Ryan Allsop: Yeah.

Debbie Ahl: Well, so the rest of my update: I went through our agenda for tomorrow and a couple of agendas that we've had in the recent past to try to pull some of the things off that Whatcom County is dealing with. And, you know, we deal with almost everything. It is quite a wide variety of issues that come to the County Council. So what I thought I would start with is something that might be near and dear to the hearts of those, and that is the Healthy Children Plan implementation plan that we will be voting on tomorrow. And, Clark, you gave feedback on that.

Clark Campbell: I did. I did give feedback. Well, I had written feedback on behalf of me, a member of this committee.

Kathy Kershner: Okay.

Clark Campbell: For me to be able to do it on behalf of the committee, we would have had to have presented that written feedback, taken a vote on it. And because the deadline was so soon, was so short, I said, let me go ahead and give you the feedback. And I think I shared that feedback with all the members here.

Kathy Kershner: You did. And I think you're getting credit for being the representative from this committee actually in the plan. So if there's any heartburn with that. Yeah.

Ryan Allsop: You can have credit.

Clark Campbell: Anybody has strong exceptions to the to the recommendations that I made, I'd be happy to take that feedback. And then we could actually have a vote on that as— I won't go into the specifics of it, but it was it was a fairly detailed recommendation for the council meeting, this week, is that correct?

Kathy Kershner: Yeah, tomorrow. So it's been in front of the council a couple times for feedback and health department staff that's creating the plans, incorporated all the feedback to the best of our ability. So what it is a two year plan for two years out of ten years, and it looks like approximately \$20 million will be collected in two years, a little bit less. And that is being allocated to different baskets of childcare resources, everything except for capital, which has been kind of a bone of contention recently. As far as the ARPA dollars go, the American Rescue Plan Act dollars that the county received. So if I move into that briefly, we received \$44.5 million, this county did. And we have to have it all committed by the end of 2024. And it all has to be spent by the end of 2025, 2026, right. We also received an additional \$1.35 million in November. And so at this point, we have \$7.2 million uncommitted dollars, meaning there's still up for grabs. There's a question as to whether or not some of that should be spent in childcare capital facilities and whether or not we should move that money into general government services that could support the numerous projects and the numerous needs, actually, that are out there.

Ryan Allsop: You said of that, 2024 has to be committed. \$44 million has been awarded. And you said all of that's been committed except for. . .

Kathy Kershner: Except for \$7.2 million.

Ryan Allsop: \$7.2, roughly \$37 million has been spent. So the county is pretty confident it'll be actually spent?

Kathy Kershner: It's all very clear, that's not a question.

Clark Campbell: And was any capital funding for childcare in the \$37 million that was already committed?

Kathy Kershner: Yes there has been and I can give you those exact numbers.

Ryan Allsop: Besides the Opportunity Council funding, a million dollars, was there anything beyond the Opportunity Council funding of a million dollars?

Kathy Kershner: Yeah, there was.

Ryan Allsop: Because that was the only money we'd heard of, at the time, that it actually allocated back in July.

Kathy Kershner: Uh, so. Childcare capital. There was \$9.2 million in the spending plan, \$4.7 million committed and about \$4.5 million uncommitted. So we have Laurel and Forest for \$200,000. We had small provider for \$500,000. And we have an RFP that costs \$3.74 million. So those are the capital expenses that are committed.

Ryan Allsop: So we spent. . .

Kathy Kershner: \$4.7.

Clark Campbell: And that's out of ARPA dollars?

Kathy Kershner: All of it's out of ARPA.

Clark Campbell: Okay. Thank you.

Debbie Ahl: And we've spent \$2.4, almost \$2.5 million on childcare stabilization. So yeah, and that's out of ARPA money. So we spent what is that? About \$7.1 million on childcare out of ARPA. And we're going to have \$10 million this year and \$10 million next year from the Healthy Children's Fund.

Ken Bell: And when you say stabilization dollars, would those be capital dollars or those operating expenses?

Kathy Kershner: Staffing, stabilizing by adding somebody to staffing. Business stabilization through the Opportunity Council, that's \$1.5 million. And then providing family support through the Opportunity Council, another \$500,000.

Ryan Allsop: Is any of the \$20 million from Prop 5 usable for capital dollars? I thought it was all. . .

Kathy Kershner: That's a good question.

Clark Campbell: It can be used for that. I think what specifically, this is my read of it, is that the only thing that's going for the council right now is that two year first two year plan, right? So first two year plan, because ARPA dollars are already committed for capital spend, they're using it for the other things that are going to need to happen— administrative hub, and then some of the breakdown of the other two major areas which are vulnerable children and stabilization dollars for building capacity. So there'll be another plan after the first two years, but the first two years are really about getting the thing up and running. You probably aren't going to see visible impacts of this until 2025. So it's going to take the first two years just ramping up. But I think that was the discussion, because ARPA dollars are already being earmarked and are available in the first two years, it makes sense to also put more capital spend. All the feedback I heard was that we're not going to build our way out of this problem with facilities. It really comes down to getting staffing and then also supporting a structure that makes it profitable for the childcare businesses to be [audio muffled] with kids who are on subsidy.

Kathy Kershner: Right. So there are \$4.5 million in uncommitted ARPA dollars that have been in a spending plan for capital for childcare. And that is what's up for debate right now.

Ryan Allsop: So and that was that a part of the \$7 million or is that a part of that \$4.5 that's left as part of that \$37 that we're talking?

Kathy Kershner: It's part of the \$7 million that's uncommitted. Yeah. But it was part of the spending plan not committed for childcare capital, which was \$9.2 million. So \$4.7 has been committed. \$4.5 is uncommitted.

Ryan Allsop: So the remaining \$7 million, really, would be spent more now on the [unintelligible]. So of the original plan there's like \$2.5, \$3 million, right?

Kathy Kershner: Right. And so the question is, you know. Well, \$13.9 out of ARPA plus \$20 million out of taxes in the next two years is not excessive. Could we use that money in a different way that might be more beneficial to our community? And that's the question that's up.

Clark Campbell: And are there any stipulations on things the ARPA dollars can't be spent on?

Kathy Kershner: ARPA is pretty flexible. So we could spend it on what we need.

Clark Campbell: To meet county needs.

Kathy Kershner: That's what I understand. Yeah. So, any other questions about that? Yeah.

Paul Burrill: Are you guys drilling down on what it takes to operate these facilities once it is purchased? Because capital costs versus operational costs into perpetuity is kind of important distinction. So we don't build something that's so big and expensive that it fails after two years.

Kathy Kershner: We don't know the answer to that. But I know that I don't think that the county is interested in getting into the business of operating childcare centers or providing childcare. I think that the capital expenses are one and done and would need to be, you know, fully funded through either childcare fees that they're collecting or some other form.

Clark Campbell: And that was the rationale of using the ARPA dollars. ARPA dollars have short timeline in which they need to be spent.

Paul Burrill: Correct.

Clark Campbell: And they're one and done. So the greatest leverage you could get on those is not on things that are going to be recurring operating expenses, but capital things, things that you're buying and building.

Paul Burrill: Yeah, I was just worried about if you buy something, or start something rolling that's so big and so expensive to run.

Clark Campbell: I think most of these are going to be small capital grants. So what would you say, that the largest one was \$4 million out of that?

Kathy Kershner: I don't know. I haven't seen the list of the things that have come in under the RFP, but I know that they've got like \$12 million in RFP requests.

Clark Campbell: Yeah.

Kathy Kershner: So there's, you know, there's significant need everywhere and there's not enough money to fulfill the needs everywhere.

CJ Seitz: Like you know, I'm a business advisor at Western, so we're very familiar with the business model of childcare. And just frankly, it really doesn't work as a for profit model, in that it's labor based, really heavily labor based, and these people are actually really highly skilled individuals. And then when the state has subsidies, what is it called— reimbursements— they aren't to market, they're purposely not to market. So then you can't collect it from, as far as I know, from the client. It's really difficult, especially

for those vulnerable populations, right? So it's a structural model that as a society, we need to look at, in my opinion, on a state level or bigger.

Clark Campbell: And that that was one of the reasons that Kid's World [audio muffled]. When you get over 50% of your population on subsidy, you're on a fast track to bankruptcy. Yeah. And so the model that I think that they're trying to look at with this new initiative here, the new funding, is to be able to create a structure that enables businesses to operate and still remain profitable by drawing on these county offers. Yeah, but a lot of those are going to require stabilization dollars to hire more people. And hire more people at the rate you're paying for someone that's a credentialed employee.

Paul Burrill: Well, and that's where my concern is. I believe childcare and teachers should be an extremely high paid position. So there's competition in the market. I really think taking a low budget person can not be the best for our futures.

Clark Campbell: And that was the that was the main thrust of my feedback was you could take out of that \$20 million a very large chunk of it— and I did kind of the math on it— with 5000 open spots that are the current assumed need or and then what the ratio of teachers to children and those childcare facilities would need to be? How many additional new bodies are you going to need to add? And then you have to take a look and say, what's the total look like? Because you're not just paying for the new folks. You have to pay and raise the base pay for the folks that are already doing that work.

Kathy Kershner: So one of the one of the ideas for that money is that they use it to supplement the state reimbursement. So bring it up so that then the childcare businesses would have a rate that they could then actually operate and hire new people and pay the people.

Ryan Allsop: It's a very similar to school district doesn't get bond and they have the levies are used to supplement income. They have buyers pay more. And then the third levy is higher. And so there is a supplement. I mean, that happens, which makes sense in a lot of ways that they don't have much left over for the capital side, which is a huge part of the infrastructure cost for these daycares, they take a lot of space. They need certain types of facilities. So you have that's why we were initially we had this magical bullet. I mean, the concept this this group supported using as much of that ARPA funds towards capital infrastructure because it is it's a one time bullet that is like trying to get over some of that hurdle and if we can and then the rest to supplement.

Clark Campbell: And I think after having read through all of this stuff on behalf of this group, I think that my sense is it's important to look at this as a \$100 million, not a \$20 million, which is over a ten year period, right. The first two years, you're assuming that a fair chunk of the ARPA dollars will be made available for capital spend for childcare. Then that frees up the first two years of money to be spent on operating costs through the county funding. And then, you know, in years 5 to 10 that may flip, you may see more capital funding coming on because we've actually exhausted the ARPA dollars. So, you know, the challenge with this is we're not going to know everything. What the what the group has been asked to do, the implementation team, is put together our first two year start up plan without knowing yet what specifically is going to get earmarked out of ARPA. So I think the assumption going in is ARPA dollars are going to be made available because of the timeline of when they need to be committed and those shouldn't really be used for operating costs. They should be used for capital spend, that some of that money is going to flow through from RFA towards the to fill that gap, which frees them up to focus on the other things that they need to do to get the administration set up and to stabilize the workforce and to provide some subsidies, offsetting the gap that is happening at the state level.

Ryan Allsop: I think obviously we had a subcommittee dedicated. This has kind of been kind of focused on for a short time period because of the time frame for responses that was needed at the time, Clark jumped on it. I think maybe it's time to kind of come back to that a little bit, because there is, on the capital side, there are facilities within this that are probably underutilized that we could maybe reallocate. Schools in the summer are pretty much vacant. Is there a way to lease space from the schools for those three months? Because the schools are now picking up a lot of the kids that I mean, Bellingham school district is they have the Promise K program now that are taking on which is our highest paid students. It's the best mathematical business model for the childcare providers. But they're being stuck with the 0 to 4-year-olds instead, which have a higher employment ratio. It's better for them to have that 3 to 5 year old. But parents, of course, say, well, nine months of free childcare through Bellingham School District in this town is better than, we'll be able to still figure out the summer solution. When maybe there's a way to create a hybrid where they had a summer solution with those kids because all those parents do need a home for when that could be in a perfectly acceptable facility like a school that's already built.

Debbie Ahl: I just have to say how rewarding it is to see the business community stepping up and your thoughts in terms of the childcare teachers needing to be paid more. I mean, it is our early childhood development and you can't, I think, ever invest enough in that. And what you're saying in terms of the—everything that you change changes the equation for the nonprofit providers. But you're saying when a school takes it on. You're right. It leaves the infants and the really young ones with the higher staff ratios, which is far more accessible.

Ryan Allsop: It's worse, actually.

Debbie Ahl: Yeah. And we work with Royal, Guy Occhiogrosso also had put together the Ferndale refineries in that as employers. And so they're also looking at, could we establish childcare. Those are some of our most highly paid employees in the county. And so what that means is all the low income families will be back in the nonprofits. And so it's everything you do creates an impact.

Ryan Allsop: It does. And I think, I see the Promise K model working. It's getting stronger around them. The data is behind it right now, at least if you hear other school districts are starting to go through with it. I think Seattle made a commitment, they've been testing it in Seattle. Because they know the success rate, I mean, there's a reason Bellingham School District went from, you know, part time kindergarten to full time kindergarten because the data and they know the graduation rate's higher, the success rate's higher. It's just the sooner you grab them and bring them into a healthy school environment, the more successful they are later. And so the model just keeps pushing down, creeping down. And I think there's probably a hybrid, solution for a lot of this.

Debbie Ahl: And then we have a more and more and more diverse young population with a lot of need for cultural relevance.

Ryan Allsop: So yeah, but from a committee standpoint. I mean, I'll just speak to this committee was 100% behind using as much of our donors as possible.

Clark Campbell: Specifically, yeah, back to kind of like giving feedback to the council from this group. One of the earliest proposals was one right around Carol Frazey I think was to take 50% of the \$44 million. So let's take— was that \$22 million out of \$44 for childcare? I think the chart that we were presented by Satpal showed a third. So that's like \$14.5 million. So we heard a lot of numbers here. What's committed, what's not committed, what's still remaining available. What would be interesting for this group to see is what that number finally comes to. And does it relate to a number smaller than 33% of

the ARPA dollars? Yeah. If so, what changed from the feedback that was presented to us back in February or April of last year.

Kathy Kershner: Tomorrow we're going to be discussing the \$4.5 million uncommitted. Whether we continue to allocate that towards childcare capital projects, or the alternative recommendation is the Stakeholder Advisory Committee on Behavioral Health has made several recommendations on behavioral health facilities, services and systems as we plan a new safety and justice facility. And the administration is asking us to consider looking at reserving that \$4.5 million for behavioral health services.

Clark Campbell: And that's going to be our next biggest thing.

Ryan Allsop: All definitely needs, right? I mean.

Kathy Kershner: Right. Like I said.

Ryan Allsop: Those four things we're focused on, right?

Kathy Kershner: There's lots of needs and there's not enough money.

Ryan Allsop: Public safety, which includes behavioral health. We've got childcare and housing, which there are four main tenets right now as a group, and I think you're touching on all of them. And then I think we committed to childcare is in front of us. And I think we're all public safety. We know that behavioral health is significant. Yeah, I think it's a drop in the bucket, but I don't know if the \$4.5 million would make a difference until somebody shows me the data that could help. I mean, our number is a lot higher from what I'm hearing.

Kathy Kershner: I think it's referred to as a down payment.

Ryan Allsop: Yeah, yeah. Maybe. Yeah. Or consulting fees. I would say more like from what I hear.

Paul Burrill: Yeah. This is a generational build almost, it takes time to get ramped up, but it will show the effects.

Kathy Kershner: And quite honestly, we've ignored these problems for so long now, they're huge. Yeah. So we have to take them and make them work.

Clark Campbell: And the feedback that I had with the group that's the implementation team for the childcare plan is that there was there is an assumption that there will be ARPA dollars made available for the capital. And when they structured that, some of the feedback I gave, I learned in that process they were under legal requirement to not change the percentage allocation. I think there's a there's an allocation between early childhood learning and support for vulnerable kids at risk. And those percentages were pretty well already set.

Kathy Kershner: And they said no ordinance?

Clark Campbell: I think they're set in the ordinance. So because of that, you know, I was saying make sure that you're not short changing the dollars that are going to be available to attract and hire qualified staff. And they kind of came up against a barrier with that. So with that said, I'm in support of the

implementation plan as they've submitted it, and also in support of the idea that ARPA dollars should be made available for the capital component, particularly in these first two years.

Ryan Allsop: Thank you. Jennifer, did I see your hand up there?

Jennifer Noveck: Yeah, I just wanted to bring in the attendees online. So Guy from the Chamber might have a comment as well on childcare. And I also just wanted to give Council Member Kershner the opportunity to update us on additional topics, particularly a response to the memo that was sent from the committee to Whatcom County Council and the City of Bellingham as well. Since Dan will be giving an update on housing shortly and their related topics.

Ryan Allsop: Thank you for bringing it home and keep us on back on track. Appreciate that.

Jennifer Noveck: No worries. Good practice for you, Ryan.

Ryan Allsop: Guy, did you have anything you wanted to add?

Guy Occhiogrosso: You know, had I raised my hand earlier, but I think through the dialog, all the comments kind of circled the proverbial drain of the point that I was going to get to. So I think we, I think we achieved anything, I don't need to add to the content. Thank you.

Ryan Allsop: Thank you. Council member Kershner?

Kathy Kershner: Okay. So the memo, are you talking about the memo that came in 2019? Jennifer?

Jennifer Noveck: This is actually the memo that followed up from 2019. So it was the memo that was sent in January of 2023 at the beginning of the year, and that was put together by the committee's housing subcommittee, which Dan is the chair of, and is on this call as well. And a separate letter was also sent to City of Bellingham, which obviously we're not expecting the county to respond to, but it was a similar letter.

Kathy Kershner: Okay. I looked for the memo from 2019. I could not find it and I did not see a memo from 2023. So I apologize. I'm going to have to look for that again. But if I know this group and I know the issue, I probably can tell you what it said.

Jennifer Noveck: I'll be happy to resend that to the council.

Kathy Kershner: That would be that would be fabulous. Thanks, Jennifer. I can just briefly touch on what's going on with housing. You know, we spend millions of dollars on housing in this community, mostly for homeless people or affordable housing. But really the issue is we don't have enough houses, right? We don't have enough. And that comes from, you know, our comprehensive plan, the counties and all of the cities and where we're trying to put housing is in our cities, in our areas where they're serviced by services and where it makes sense. So the county actually isn't looking to expand, building a bunch of housing in the county. We're looking to help cities adopt reasonable population figures and estimates. We worked hard on the Buildable Lands Report to make sure that we've got adequate areas to put houses, and our comp plan is coming up for renewal in 2025. And we're currently in the very initial phases of that. The Buildable Lands report was one of the first things that had to get finished. We've got agreements with all of our cities at this point for how we're going to update our comp plans. And I think our next steps are the population measures. And that's, you know, taking the numbers from OFM, which is a range and

deciding instead of staying here in this bottom range, as has happened for the city of Bellingham for years and years and years, maybe we need to look at a more reasonable range of actually what's happening and pick that number to plan to. You know, I think I've heard estimates that Washington needs 1 million more homes in the next ten years or something like that. And that's a lot of homes that need to be built and, you know, one of 39 counties. So that's what the county will be doing, is continuing to look at our comprehensive plan and making sure that it makes sense for our communities and then continuing to use the dollars that we're getting mostly from the state for our homeless and our underserved populations that are not able to afford homes are being released.

Ryan Allsop: So it looks like just visually when you drive around and see the construction, that's where we're spending most of our time, which is the low income housing, which is a huge need. Obviously there's subsidized housing. Pretty much everything on Samish Way that's under construction is also subsidized.

Kathy Kershner: There are things going on in the state. I know that there's work on ADUs statewide, that's additional dwelling units, making that possible.

Clark Campbell: I think I just read something which will actually override Bellingham law.

Kathy Kershner: Which can be a double-edged sword, right? By telling local communities how they'll develop.

Clark Campbell: But I think it sounds like that may pass, which is that that up to six units, you can build a multifamily, up to six units in any single-family neighborhood in the state of Washington.

Ryan Allsop: I think there's some density rules. Dan's probably got an update on this.

Clark Campbell: And the other piece of that was there's a Bellingham requirement. It's my understanding that ADUs are requiring that the owner has to live in one of the structures on the property. The Washington state law would preclude that and would enable those both to be made available for rent. So those are two big moves. I believe it's heading towards passage, I believe, which will kind of change the calculus a little bit. That'll be basically ending single family zoning in the state and allowing everyone to have a few and allowing you to rent it out without being onsite.

Kathy Kershner: I can just finish up real quick.

Ryan Allsop: Dan's got an update on that for him.

Kathy Kershner: So, Whatcom County is dealing with stop sign issues, in Birch Bay. And I've heard that they have a public hearing open on stop sign issues. And ferry rates. Our Parks Department is making some improvements to our parks. Our planning department is looking at short term vacation rental regulations. And our health department, of course, is very busy doing many, many things. And I think that covers it. And public works is constantly working on our roads and our infrastructure. Culvert replacement. Still making repairs from the 2021 floods. That's it.

Clark Campbell: That's a lot. Thank you.

Ryan Allsop: It just says that seems like an unending task. The pile gets bigger for them. And just like I thought, I saw a Blake Lyon on here. Did he just drop off?

Blake Lyon: No, I'm still here.

Ryan Allsop: Oh, thank you. Oh, yeah. There you are. I know you got the copy of the letter back last year that we sent to the city, I believe, that Dan circulated. And do you have any comment on anything you're seeing at your end, that would be at least from the city of Bellingham's permitting side?

Blake Lyon: Yeah, I'm happy to comment on some of the legislative pieces too. I know Dan's been doing a lot of work on this as well, so I certainly don't want to steal his thunder. But we can share at least our tracking of the various different bills and how that would reconcile with some of the work being contemplated at the state level. Right now, as you all might be aware, we've been taking forward some ADU provisions to city council to have them take a look at that. And as was mentioned earlier, there are two pieces of legislation that are being considered right now. And the likelihood is, is that those at some point would either need to be consolidated because there are some minor variations between the two. And so that would need to get reconciled to some degree, or one of them would have to drop off. But they are substantially similar, and if they were to get through and become state law, then we would certainly have to adjust accordingly. I'm happy to go through the specifics of it, but I didn't want to take Dan's thunder away either. And then there are a couple other bills that we're tracking as well. Happy to discuss that, if that's the group's desire.

Ryan Allsop: We could probably jump into that one with Dan maybe. Any other, I guess, comments around the housing letter that we submitted to the County Council and the city?

Blake Lyon: We're working on a variety of different components. I wasn't prepared to kind of go through and itemize them. But if that's something that the group is interested in, we can certainly talk about, you know, what aspects of that letter are. I just I wasn't prepared to do that today.

Ryan Allsop: Sure. That's totally fair. I think maybe it'd be great to have you on one of the next meetings to update us on kind of on that as you can. And we can re-send that letter out and I'm sure you've got a copy of it probably in your back pocket that you could resubmit too.

Jennifer Noveck: I'll re forward it right now, Ryan. So everyone, it'll be at the top of your inboxes.

Ryan Allsop: And are there any other questions for Councilmember Kershner.

Seth Fleetwood: If I may. Sorry, I didn't raise my hand.

Ryan Allsop: Oh, no, go ahead.

Seth Fleetwood: Councilmember Kershner gave a good overview of the of the topic. I can't add anything to what you said. I agree with it and support the characterization. The only thing I would add, I think, is it relates to how in the past I think it was said that the city supported the low projection number, and I wasn't here during the last comprehensive plan update, but City of Bellingham to of course is on the comp plan update cycle for 2025. And I can't imagine a scenario where the city of Bellingham is going to propose a low number in that range. I just wanted to convey that clearly, we need to have a higher number.

Kathy Kershner: Good.

Ryan Allsop: Great. Any other questions for Councilmember Kershner?

Clark Campbell: I just had one. The next discussion around the funding for the jail. When is the timing on that and when?

Kathy Kershner: Starting at 1:00 today.

Clark Campbell: Yeah. There were three of us, myself, Ryan, Sarah, and Dan, we toured the jail and it was quite eye opening in terms of what needs to be done, what has to be done legally, how to do that humanely and just all the stresses that that facility is under right now. It really brought it home.

Debbie Ahl: And also with staffing, right?

Clark Campbell: Staffing, definitely. They're understaffed. Frankly, it's hard for me to understand how you can staff when you look at the conditions they're working in.

Ryan Allsop: The question I asked was, do you do you show them the jail when you interview them?

Kathy Kershner: So we just had our contingency go to visit a jail facility in Nashville and they just got back last week. I'm going to be meeting with Barry, who is on that tour here at noon. I'm actually going to leave here and meet with him. And then at 1:00, yes, the new jail committee starts meeting.

Clark Campbell: And there's a stakeholder working group.

Kathy Kershner: There's lots of working groups.

Clark Campbell: That's made some recommendations, but nothing down to the design phase. It's more like broad brush stroke recommendations.

Kathy Kershner: Kind of bring the whole community onto the same page so that we're all in agreement that we need a new jail and then we will start working on and how that will look?

Clark Campbell: And that group is making its presentation to county council.

Kathy Kershner: They did in February.

Clark Campbell: Okay. It might be good for this group to get a copy of what was presented to County Council. Yeah. So I don't know if Jennifer, is that something you can follow up with?

Jennifer Noveck: Sure.

Ryan Allsop: I guess just a simple question, do we know if it's going to be on the ballot yet?

Kathy Kershner: Yes, it is. Okay.

Ryan Allsop: Okay. I'm just asking.

Kathy Kershner: I really can't say that. But yes, I know that the team I'm working on is working hard to get it on the ballot this year.

Clark Campbell: A formal decision has to be made.

Kathy Kershner: Yeah. Well, I think we have a little bit more time. I don't think it's a goal, but all the directions, all arrows are pointing towards, you can't really go forward without a funding mechanism.

Clark Campbell: Yeah.

Debbie Ahl: I heard great things from the group.

Kathy Kershner: I did too. Yeah.

Debbie Ahl: I'm excited to learn more.

Kathy Kershner: And hopefully we get an update tomorrow.

Ryan Allsop: Yeah. And we, I mean, I was part of the small group that met with Mayor Fleetwood was there with the with the pod system gentleman that came from coast too. I mean there's some creative solutions out there.

Kathy Kershner: For the interim?

Ryan Allsop: Interim, it can be interim or permanent. I mean, it really can be. But he was very adamant when he toured our facility out in Irongate that it was extremely underutilized for the space and its size, and that we could use that in a much, much more efficient, healthy way. That's up to more current standards. And he was like, this this facility is actually not so bad. This one here downtown, a whole other story, obviously. But he had a pretty strong opinion that that could be with not a lot of difficulty better utilized. So it was nice to hear. So thank you for your time.

Kathy Kershner: Oh, absolutely.

Ryan Allsop: Reporting back to us.

Kathy Kershner: Thanks for asking for an update.

Ryan Allsop: Yeah, absolutely.

Kathy Kershner: It's kind of fun to give an update.

Ryan Allsop: Anytime.

Clark Campbell: Should we move on again?

Ryan Allsop: Yeah, I guess so. Let's move on to the Dan Dunne. Sitting in Olympia. Good for you.

Dan Dunne: Thanks, guys. I sent out this morning a list of the bills I was tracking, kind of roughly categorized by, like, housing and zoning and those kinds of things. And I could either pull up a PDF of that on this, we could start scrolling through that, or if somebody has a copy, we can put it up. What are your thoughts?

Ryan Allsop: Are you asking? I'm sorry. I was coughing. Do you want Jennifer to put that up on screen? Is that what you're thinking?

Dan Dunne: Yeah. So either Jennifer, either you can let me share my screen or you can put up that thing from this morning.

Jennifer Noveck: So I think you should be able to share your screen.

Dan Dunne: Okay. Sweet. Give me a second. Let me try that. Okay. Can you guys see a giant passel of words in front of you?

Jennifer Noveck: Yes.

Ryan Allsop: Yes. Very small fonts.

Dan Dunne: Yes, very small font. All right, let me see what I can do here. Try and make this a little bit. . . how's that?

Ryan Allsop: Better. Thank you.

Dan Dunne: Sweet. Sounds good. So, a bunch of bills. Kind of give you broadly here. March 9th was the cut off for bills to go from to go out of one house and into the other house. So to pass out of the Senate and go into the House. So now they're in the committee of the opposite house for most things unless they have a fiscal component generally, in which case they got a later deadline and then I think later this month, like the 29th, is when the cutoff is for them to get out of committee in the opposite house. Then they get voted on, and theoretically wrap it all up by April sometime. So the stuff here has gone from one house into the other house and is now in committee. Not all these things will pass, but they're sort of these are things are in process and have been talked about. I've sort of marked them over here about these are all about kind of affordable housing generally. A lot of these bills have multiple components, so I try to kind of like simplify. These three are generally about energy. These are sort of random. But there was I was kind of interested in them, so I follow them. And then these down here are about permitting and zoning. My thought is, those are sort of the things that are more about this committee, so we kind of look at those things. Is that okay kind of starting from here and going down?

Ryan Allsop: That'd be great.

Dan Dunne: Sweet. The one right above this, actually, it's interesting that kind of relates to what we talked about before. 1792 is an extension of the Nooksack adjudication timeline. This summer, most likely ecology will sue everyone who pulls water out of the Nooksack or from the ground. And this bill would extend the timeline people have to respond to that lawsuit, up to I think a year or something, but more details about that, I think Timmons is working on that one. 1167 reduces regulation on middle housing. So it makes it a little simpler to build things like townhomes and fourplexes, which is good because if they pass a bill that allows more middle housing, then it'll be nice to make it easier to do that. 1293 is also about permitting. I think it eliminates the SEPA requirement and reduces some design review things on a lot of housing. 5058 exempts 12 units or fewer from the term called multi-unit residential building. Originally it was about condo liability reform from the statutory warranty. But this has become a sort of a watered-down version. So we started off the session with some bills that would have made it easier to build condos. The insurance premiums wouldn't be as expensive. And we're sort of winding up with kind of some watered-down version of that. But is what it is. 5290 is kind of everything that we've asked for

from in our letter about permit review, it just makes a lot of permitting easier. One thing about it is like, it does like, so if, if a city can't permit something in a certain time frame, then the amount that the person owes that the applicant owes is reduced. So the idea is, hey, if you can't get us a permit within a certain timeline, then I'm not going to pay you as much and a bunch of other stuff. So that's the history you want to dig into. 5412 is also about design review. 5491 allows people to use a single staircase. Right now, in everywhere outside of Seattle, if you've got a multifamily building, you got to have two staircases. But a problem with buildings downtown is that a lot of them are old and only have one staircase. So it's kind of hard to turn those into multifamily. So that would change that. 1042 is about adding housing to existing buildings. If you have a home that is allowed to have more units than what you have in it currently, this would allow you to add more units to it. So if you have one unit in a single family home, but with the zoning, you're allowed to do more, then you could add more units to that.

1110 is the big middle housing bill. And they're sort of adding exemptions to it, so it's kind of changing, but essentially it's around transit and parks. You can add up to, I think it's still up to six-plexes. For the six-plexes, if two of those are affordable, you can have six, others are not affordable, you can have four. And it varies by the size of the town as well. And one of the outs is for infrastructure. So if you don't have like enough water for adding all this housing, then you don't have to comply or you get some extensions to comply or whatever. So that's still evolving. 1181 would add climate change as a topic or a thing you have to deal with in the GMA. It'd be not just housing infrastructure and transport, but it would be how are you dealing with climate change. So we'd be dealing with that. That'd probably get added for our current comp plan that we're doing. 1245 would allow folks to split their lots in two. So we got one single family home, you can make two.

1337 is the ADU House bill companion. Well, the other one that got passed out was 5235. That's the Senate bill. So right now — like literally right now — Sharon is negotiating that one. And I think, like you guys said, these two are most likely going to get merged. And so something's going to come out of that. It's kind of looking like ADUs will probably be allowed in larger cities in like in UGAs in counties subject to GMA. So like Bellingham might get covered by ADUs. Maybe Lynden doesn't, I don't know, we'll see how it how it works out. 5374 allows cities to adopt county critical area rules. So if you're in a city, in a county subject to GMA and you want to just take the critical area rules that the county has and make them your own, then you can do that. 5457 lets tiny, like 500 person cities, very small cities, opt out of the GMA. And then 5466 is transit oriented housing. It's kind of like 1110, except this one provides funding through the Washington State Department of Transportation, specifically for affordable housing, near transit areas. It's mostly oriented towards big rail things in Seattle. That's the very quick and dirty of those, what other information do you have? What questions do you have?

Ryan Allsop: Thank you for summarizing all that.

Blake Lyon: Hey, Dan, do you mind if I expand a little bit on a couple of the ones that we're particularly interested in?

Dan Dunne: Please go right ahead.

Blake Lyon: So 5491, which is the one that Dan mentioned about the single staircase. It is specific to buildings that are five stories or less. Unless you have mixed use, then you can go up to six stories. So it's not just all buildings. It is buildings of a particular size that come into play there. Another thing to note on the two different ADU bills, 1337 and 5235, both of them, although they approach it a little bit differently, both of them would allow up to two ADUs per lot. And there are some variations that that make a distinction there. And then quickly, I'll mention also on House bill 1110, Bellingham falls within the

provision of cities that are 75,000 residents or greater and so 4 to 6 units per lot is what's applicable to us. They did pull out in the most recent version of that the community amenities definition. So that no longer applies. So it would be you'd only get the fifth or the sixth unit if you were affordable housing. And then the station area planning SB 5466, there was a provision added in there into high frequency bus stops. And so it's likely that although that was originally written around like light rail and like more substantial transit, that it might be applicable to the city of Bellingham if it can qualify under the go lines for those high frequency bus stops so that there may be some relevance there. So happy to expand further, but those are the ones that are of particular interest.

Ryan Allsop: And the feeling is, well, those all passed, correct?

Clark Campbell: Passed House or passed Senate, so a lot of them are in the resolution.

Blake Lyon: And they have to go through and have their hearings and get out of that, their committees. I think it's by the end of this month, like the 29th or something.

Ryan Allsop: From a I guess a practical standpoint, if all those go through, how much of an impact do you think they will have on a community like ours or county like ours?

Blake Lyon: Well, certainly 1110 has the potential, you know, because you're talking about essentially single-family zoning that would then allow up to anywhere from 4 to 6 units per lot so that there's some capacity that would be untapped there. There's also some capacity in the one that Dan mentioned with regard to the existing buildings. So HB 1042, which basically takes an existing building and allows you to add new units within that. So you can imagine any existing building that has multifamily zoning allowed within it can then be you can have additional units added to that. That certainly has some, you know, element to adding housing supply. And then and then the one I just mentioned at the end, 5466, the station area planning, if that is in fact passed under the way it's currently written— and I'm still going through and analyzing a little bit more of it— that could significantly add some capacity around those station areas. Essentially the way it reads to my understanding is that you have a station area and within a half mile of a station area, and high frequency bus stops qualify for that station area, so if you if you're able to do that, essentially you can get what they call transit-oriented development intensities around those station areas. Within a half mile of that high frequency bus stop. And so you could see some significant yield out of those. It definitely is going to have some implications. And when you think about how those housing supply needs come into play, there's a number of different bills that talk about either permit streamlining or the reduction of reviews. There's a bill 1166 that talks about administrative design review only. And there's a couple others that that talk about categorical exemptions and only having objective design standards. So there's going to be quite a bit. The challenge is with some of these is that some of the bills, if they pass, would become effective six months after the comp plan cycle. Some would become effective on July 1st of 2024. Part of our effort is going to be just tracking when some of these are going to need to be implemented.

Ryan Allsop: And just so I'm clear, you're saying, basically a single-family residence, say Edgemoor, for example, it's no longer single-family. So if it passes, even if they have HOAs and strong covenants in place, they're gone. So basically, these supersede all covenants in place.

Blake Lyon: Not exactly. If you have an existing HOA with a covenant in place, it's not preempting that. What it does preempt is any new covenants. So you can't create a new covenant that would otherwise restrict it. So if you have essentially if you think about it from 1970 to current, anybody that has an HOA

that either has CCNRs in place that restrict it or maybe a plat requirement, the law does not supersede those.

Ryan Allsop: Okay. But like South Hill, which is does not have one, would be subject to potential fourplexes all the way to the top. Okay, just checking.

Paul Burrill: That's a good question.

Ryan Allsop: Just clarifying that one because I think most people don't know that our HOA might protect their neighborhood now or not. There's a lot of panic out there for those that aren't in support of it. And for those that are, they're also thinking they're going to go into wherever they want. And so that's interesting that because the ADU rule where you have to live on your premises. That's a Bellingham rule.

Blake Lyon: Yeah. And the and the current proposal for Bellingham is to not require owner occupancy for multifamily or commercial.

Clark Campbell: Yeah. It just seems like, it's interesting that a lot of these same issues have been because it's been so hard to get things done at a state level, have been focused more at a local level. And now the local level stuff is kind of gotten passed. Now the traction is really starting to happen in a statewide level. It feels like the belt just got turned up. If I look at this list of things, are you seeing this more of these sort of issues in state level legislation coming at a at a faster pace than what we've been seeing?

Blake Lyon: Now, it's hard for me to say unequivocally because I've only been here for about a year. But yeah, we are definitely seeing some. And many of these bills work together. And a lot of what the sponsors have been putting out is saying, okay, these are, you know, they work well in tandem with one another or in addition to that. So it we're certainly seeing some of the needs. I'm happy to go through the details of it. I know Dan's talked a lot about House bill 1220, which actually was passed in 2021, but we're starting to see some of the numbers come out. So if you'll permit me, I can just kind of give you a little bit of the context in in that regard, because this is the first time we've seen quantifiable numbers put to what that looks like. So it was mentioned earlier that we have a million new units that are coming due or need to be required by the year 2044. What Commerce has done is now taken a pro rata share and said, okay, here's each county's responsibility for that, you know, pro rata share for that million. What that equates to with Whatcom County is 34,284 units. So that's the amount that would be required by the year 2044. If you think about the Buildable Lands report that's underway right now, and we look at those that looked at a kind of a planning window from 2016 to 2021. And over the course of that five-year period, we saw county production of roughly about 13,000 or excuse me, 1300 units per year over that time frame. If you look at that 34,000 number and you think about that over that same 20-year period, that's roughly about 1700 per unit over the entire lifetime of that.

So you can see that our annual production as a county is not meeting what that expectation or what that need will be. Now, the other element that goes along with that is that HB 1220 not only talks about it just in terms of number value, but it also puts some income strata behind that and says, okay, we know what we need to do from a from a 0 to 30%, 30 to 50%, 50 to 80% and so on and so forth, moving kind of up the chain. And so roughly about two thirds of the overall volume needs to be at levels that are deemed to be affordable. So we know we've got a fair amount of responsibility that comes along with that. Right now, it's just targets. There's no punitive element associated with it. But if you kind of read the tea leaves a little bit and we start to see what states like California have done, where they've had housing targets for the past couple years, if not a decade or more, and now they're starting to put some punitive measures kind

of behind that. So if you're a local jurisdiction that doesn't have an adopted housing element and you're demonstrating how you can meet those targets, they have a process called the builder's remedy, where you can come in and you can say, okay, here's an application that meets that target and the local jurisdiction is required to approve it. So I know the city of Santa Monica, they had one developer come in and slid 11 applications across the table at one time, said here you go.

Ryan Allsop: Yeah. Wow. So. So if I get those numbers correct, to be on pace with that, you're at about 1700. Is that started or completed per year?

Blake Lyon: That's what would be required to get to that 34,000 number.

Ryan Allsop: So roughly 1100 to 1200 would need to be considered affordable.

Blake Lyon: Yeah, If we look at it from purely I mean, I can speak a little bit to the county wide numbers, but I'm a little more focused on what it would require for the city of Bellingham. But if we look at that period, yeah, so it's 1700, a little over 1700 countywide that would be required each year for the next essentially 20 years. We have been averaging during that buildable lands, we've been averaging about 1300 a year. So we would need to up that production, you know, by about 400. Now the question then becomes, you know who takes on those various different responsibilities? How much of that falls onto the city of Bellingham? How much does it fall onto the county and other jurisdictions within the county? That work has yet to be done. And that's something that would be, you know, in our interest to talk about and figure out how we go through those efforts.

Ryan Allsop: There was a question there online — What's deemed affordable under this bill? Is it 80% AMI or?

Jasmine Fast: [From Zoom chat] What is deemed affordable under this bill? Is it 80% AMI and less?

Blake Lyon: There are different strata. But yes, generally it's 80. So the way that the House bill 1220 works is there are 0 to 30 is has two different categories. One is non-permanent supportive housing and the other one is permanent supportive housing. So even though they're both 0 to 30% of AMI, there's kind of two brackets, if you will. Then there's 30 to 50, 50 to 80. All of those would be subsidized or considered affordable. And then they have 80, 80 to 100, 100 to 120. And then stuff that goes above 120, as well as provision for emergency housing. Hey, Dan, do you mind if I share my screen, I can just put that up there.

Dan Dunne: Yeah, that's totally fine. Let me stop sharing here. There you go. You should be good to go.

Blake Lyon: All right. So hopefully you all can see this. So the header just goes across the top. So you can see kind of some of those different indications. So the county by name, the total housing need is the second column and then the income categories that I was referencing kind of go along the top. If I scroll down a little bit, you'll lose the header, but I've taken the opportunity to highlight Whatcom County so you can see a little bit of the more specific numbers. So there's that 34 to 84. What's interesting is if you look at these four columns, which are basically from 0 to 80%, that's roughly about two thirds of the total. So roughly a little over 21,000 units that are that comprise this 34,000. So what we've been seeing in the last 20 years or so, and I'll speak again more from the city's perspective, we're doing about 75 to 100 affordable units a year under these target numbers, those four columns that I've kind of double highlighted there. We need to be closer to like 500 plus. So it's not that we haven't been trying to keep pace with overall housing production. We could still do more there. But this is going to be the crux of it in the upcoming future is how do we get more of those affordable units in play. And so certainly we know

that supply is one aspect of that. You know, there is some stability that comes along with that and some subsidies. So we've gone through that effort of saying, okay, state and local monies, but we're going to need some continued support at the federal level to keep those numbers moving forward.

Jennifer Noveck: Looks like we have a comment from Guy.

Guy Occhiogrosso: So question for Blake. With regards to again, that affordability component. Trying to articulate this. How big of a problem is us reaching affordability due to the fact that we have not built enough for decades as a community? Really leaning into that, you know, naturally affordable housing, which is essentially just old housing stock. Um, which we have a lot of, but it's certainly not affordable. So I'm just kind of curious as to your perspective on the nuance of, of that dilemma. Thanks.

Blake Lyon: Sure. Yeah, I mean, it absolutely comes back to production or lack thereof, being one of the critical components. One of the things that we can I could probably throw up, if you don't mind, I'll do just that. Bear with me one second here. So this is the city of Bellingham's housing production over the last 22 years. What becomes critical and when you look at this is really those five years in the down year cycle that we still had in 2008 to 2012 time frame. And the challenge is, even though the city in its greatest years, you know, gets upwards of 900 to 1000 per year, the average over that kind of 22 year cycles in the 6 to 700 range. We're still feeling the effects of this. And the challenge is, is that we don't we didn't see a decrease in population. This rectangle here is the same window of time that that circle was providing. So we didn't see our population dwindle at all. But the housing production in and of itself didn't keep pace. So we know we've got to be able to get back into the mix and really dive back into what it's going to take to get these numbers more consistent, you know, and continue to trend in a way that will allow us to not only address the continued population growth trends, but also play catch up to that five year gap that we that we feel like we met.

So the challenge becomes how do we get those housing units produced? Certainly the utilization, like I was mentioning, of the existing stock that we have and better utilizing those, but also becoming more efficient with how we use our land. And we don't want every project, especially the things that we say we want, like our urban villages and our infill toolkits can't take two years to get through the process. We've got to do better, you know, to be able to able to make this delta. So how do we go through those pieces and make sure we can support our development needs.

Dan Dunne: Blake, I've got a question for you. When you're looking at the new permits that are being applied for now or in the last six months and then looking forward to this year, are you seeing permits like in the 1000 a year range? Are you seeing more like what maybe we saw in sort of 2008, 2009? For 2023.

Blake Lyon: We're looking probably more at the, you know, kind of 800 range, 8 to 900 range. That's pretty typical. And what we would anticipate seeing, there's I think been a little bit of question as to whether or not we're going to get hit with a recession and how deep. But we've even seen some, you know, some other additional interest in development. And so, you know, I don't think it'll drop off like we've seen in some of those lower years where we're into the four and five hundreds. But I think it's entirely appropriate to see it more at the 7 to 800 range.

Ryan Allsop: And Blake, the 34,000 number. That's apartments, that's everything. Apartments, condos, single family residences, duplexes, everything. It doesn't matter.

Blake Lyon: Yeah, ADU. I mean, that's just that. Just units. It doesn't really. It doesn't really call out ownership or typology. It's really just kind of a unit count.

Ryan Allsop: Is there anyone doing data on the ownership side for those that want to own? Like what? What that number needs to be? Because, I mean, I think in this group, you know, obviously we need to we need to talk to all of it. But we spent a lot of time from an employment hiring practice standpoint. It's hard to hire. People want to come to the door to buy.

Blake Lyon: So there's a couple things that kind of speak to that. First and foremost, both the city's effort and the state's effort on the ADUs would allow for condominiumization of the ADU so that. Has a little bit of an ownership. Although you're not owning land, you're owning the unit itself. The middle housing also looks at a range of different unit types, which could be like a townhome or an allow for some ownership models in that dynamic as well. There's also some additional Dan mentioned one of the bills that's about lot splitting. So the potential of coming in and creating kind of a smaller lot configuration under that bill, the minimum lot size is 2000 square feet, but you can't go less than 40% of what the original. So where we see communities that have or neighborhoods that have really large lots, it'll allow for the splitting of those lots to some degree, but it might not get down to what ultimately would be, you know, kind of needed at a a finer grain pattern. So we are certainly seeing, you know, there will be additional opportunities. But as Dan also mentioned, because we didn't get the condominium reforms like we were hoping for, there's still, you know, a really critical piece of that ownership discussion that's missing.

Ryan Allsop: It's huge. Yeah, it's a big one. Okay. Thank you.

CJ Seitz: Could we get copies of Blake's slides? Those are great.

Ryan Allsop: Yeah. That'd be great. Do you mind sharing that with the group?

Blake Lyon: Yeah, I can send them over.

Clark Campbell: And I think when we did the original presentation about to the County Council about on housing, it specifically addressed that period when to be able to get back to just the build rate that we would have needed. I think at that point we were talking about needing to actually complete something like 2200 units per year just to make up for the gap that we had on those years. And that was that was the premise of we actually have a housing emergency here that we need to be moving this much more with greater urgency because to get to, you know, your growth comp numbers, you first have to fill that hole that was created in those five years, that five year period. And so I think what we're seeing now is just sort of the extended impacts of that.

Ryan Allsop: We also focused on pushing towards up to 100% of AMI because in Bellingham specifically, it's hard to buy even if you're at 200% of AMI right now. But I think that you're probably going to end up settling somewhere in the 150% to be more realistic from a public acceptance of focus. For purchase. Yeah. And I remember it's 3000 a year, I thought, of people moving into Whatcom County if I remember right. I thought that was the number that we talked about and that was shown.

Blake Lyon: We have about 54% of our population in the rental market, 46% ownership. As it stands right now. But about 41% of those are still either cost burdened or severely cost burdened. So they're paying anywhere from 30 to 50% of their income towards rental supply.

Debbie Ahl: I was just going to say that one of the things we have to be careful of when you look at AMI for people who are renting is you have to almost adjust that for the people who can afford their own,

because it's just that the median income overall for the county is a whole lot higher. You know, unless you pick up those or otherwise people are spending too much money on it.

Guy Occhiogrosso: Yeah. And that's one of the important parts to look at AMI just in a house from a supply perspective and not use AMI as actually a consumer index if you will? Some of the conversations that I've been having is we've really got to consider since this group's priority has been workforce housing for years now, I think that number is 150 in our county. That's the number that resonates with me when I look at what is what's truly impactful for the bulk of our workforce is. 150 AMI as a definition, a working definition for workforce, therefore workforce housing.

Blake Lyon: Yeah. When you look from a subsidy perspective, we use median family income adjusted to household size of four. And when you look at that for the city, that's \$97,300. But to Guy's point, to be able to afford the median home price and some of the rental stuff, you need to be closer to \$154,000. So there's a there's a pretty big delta. And so it really doesn't capture the kind of workforce which traditionally, I guess, stopped at 120. But you really need to be closer to 160, 150, 160% of that MFI to be able to afford something.

Ryan Allsop: Exactly, and I think that's been the focus for this group the whole time. Anything else?

Dan Dunne: Oh, sorry. I was just going to say, I was just looking at the memo that that this group sent out. And Ryan, you mentioned earlier you carried around all the time. And I do, I carry it around with me all the time. And so I'm just looking through all the bills at the state and they a lot of them correlate really well with the memo that that that we created and sent out. I mean, just a lot of things on here about approving land use permits, adding more ADUs and multifamily, digital permitting, single staircase, critical area. It was just a bunch of stuff where I look at them like, I don't think that we like pushed the state to do it, but I think that maybe a lot of people all over state are kind of thinking the same thing. And we're starting to see that that kind of fruition happen at the state level. So hopefully, you know, in a month or so we'll know more about what's coming out of the state and hopefully that will help us build the units we need to build so that people can afford to rent and buy stuff in in Bellingham.

Ryan Allsop: Appreciate that. Anything else, Dan, on your side, that you want to touch base on today?

Ryan Allsop: Okay. Did we ever end up with seven? No. Okay.

Debbie Ahl: Can I introduce our new attendee? I wanted to introduce Dr. Jim Lemerond, who is our new Bellingham Technical College president. I recently retired off the board, but it's not because of Jim, I was involved in the search!

Jim Lemerond: Thank you for having me. Thank you for the invite. I'm very excited about being part of the community and hopefully helping solve some of these problems.

Ryan Allsop: We appreciate having a community college, the technical college part of this town, you know, Western, this huge part of the vitality of this town.

Debbie Ahl: We have four great educational institutions here.

Ryan Allsop: Yeah, we talked about that a lot in the last session. It's pretty neat. We do a great, a good enough job involving the schools, businesses, knowing what's going on. And I actually from that meeting, connected one of my tenants with the cybersecurity professor. Now he's on his committee and for the

community college, it's kind of neat to actually just connect the dots and say we can do a better job. So if there's stuff you feel, you know, the time is right to present to us, please let us know.

Clark Campbell: Yeah, this is an open public meeting, so, you know, you're welcome here anytime.

Ryan Allsop: Anytime. Yeah, we talk a lot, so feel free to type in and ask questions. Well, I think that's kind of it right now, since we don't have a quorum. Can't do a vote on last month's meeting. Hopefully next month we can vote to add two new members.

John Michener: Guy has his hand up.

Guy Occhiogrosso: Sometimes it's easier just to wave at the camera. Right. So a couple of things, Ryan. Yeah, you do talk a lot there, but (laughing) uh, kidding. I know I fit the same description. Regarding the quorum today, and I don't know if this is kind of just good of the order, I suppose. In my calendar, I also had a canceled meeting invite. And think that may be a portion of why we have a lower turnout today. I don't know why that is. I had the active calendar request but also a canceled, so I think maybe someone. . . We all get those emails where sometimes it gets sent out by someone else's calendar. I don't really know the technology of how that works, but just thinking that might be a part of what happened.

Jennifer Noveck: Guy, could you forward that to me? I haven't seen it.

Guy Occhiogrosso: How about I screenshot it to you.

Jennifer Noveck: Perfect. Because, I have been unaware of that, I don't have a cancellation on mine.

Ryan Allsop: Maybe that's a sign, Guy. (Laughter)

Guy Occhiogrosso: Referencing that whole I talk too much thing. Yeah. Got it. (Laughter)

Ryan Allsop: Yeah, definitely. It did feel a little light today. I know Sarah was traveling. We had quite a few members. I mean, Scott was out, but I thought we'd have Troy and others. I hadn't heard from Pete or anybody, so was a little surprised to see that. So we'll reach out. I think Jennifer, we'll talk, we can talk about that after and making sure we get the message back out. We have every date planned for the year, correct?

Jennifer Noveck: Yes. And that full schedule has been sent around. We aren't sending out a year long recurring appointment because it irregularly occurs, so we have to send them out one by one. And it's super confusing for people to receive 12 invites at a time.

Ryan Allsop: Okay. Thank you. Well, appreciate everybody's time. Have a great day! Thanks.

Next meeting: Monday, April 17, 2023 11-1230pm

Hybrid Meeting – In-person encouraged and Zoom option available

Per February 2023 jail discussion: <https://www.youtube.com/watch?v=HOVtzutn2zU>