

Whatcom County Business and Commerce Committee Minutes
November 27, 2017
Bellingham Cold Storage

Attendance: Casey Diggs, Andrew Gamble, Satpal Sidhu, Paul Burrill, Doug Thomas, Tyler Schroeder, Bob Pritchett, Ryan Allsop, Clark Campbell, Michael Jones, Don Goldberg, Jeff Callender, Pete Dawson, Troy Muljat, and Gina Stark

Guest: Carrie Veldman, Rob Janicki, R.Perry Eskridge, Rose Lathrop, Derek Long, Cara Buckingham, and Guy Occhiogrosso.

Committee members and guest introduced themselves and their organizations.

Doug Thomas showed a short film on the history of Bellingham Cold Storage and their industry.

Presentations and discussion on housing shortage in Whatcom.

Guest Speakers: Derek Long and Rose Lathrop from Sustainable Connection, Perry Eskridge from Whatcom Realtors, Rob Janicki and Carrie Veldman from the RJ Group.

Derek Long, Executive Director of Sustainable Connection. Sustainable Connection has been involved in housing for 13 years. In 2006 they created the planning tool kit and in 2008 were a part of the affordable housing taskforce. Mayor Kelly created a diverse housing planning group dedicated to working on the availability and cost of housing. They worked with all sectors and groups. There is a strong connection between availability, cost and environment. The group's hypothesis was if they convened a diverse group of leaders, they would have power to make policy and other changes to address housing issues

Rose Lathrop with Sustainable Connection has worked with developers, contractors, and environmentalist to work on green growth. She commented that the income threshold for affordable housing use to be at 80% of median income and below but now the need is at 130% of median income. How do we collectively work together including the private sector? To make a difference we all need to be laser focus.

Rose continued to share the history of the Alliance: Whatcom Housing Alliance (WHA) started in January 2018 with leaders in real estate, economic development, and planning to come up with some shared goals and a plan for their formation. The alliance is now working on action items and are looking to support the home fund and provide toolkits for their members. WHA launched the Alliance during Whatcom Housing Week where they had over 700 individuals attend events throughout the week. Moving forward they will work collectively to move the needle and focus their efforts in Bellingham because they feel they will get more bang for their buck.

Don Goldberg asked the question how could the Business Committee connect and address the needs of housing for their employees?

Rose Lathrop answered- By helping the community and helping with the housing supply and demand. The Alliance is looking at all possible ideas. They think about what do they have money for? What will

policies/efforts will have the most impact? The Alliance is also doing education and technical assistance/support.

Derek Long- He hopes that the Housing Alliance will be stacked with experts that can guide the policy issues that come before the Bellingham city council. This includes representatives from local businesses to help guide issues on housing policies.

Casey Gibbs - It is very challenging and frustrating to talk and deal with government staff (city/planning or permitting) on these policy issues and educating them will be challenging.

Rose Lathrop-Kulsan CLT and Habitat for Humanity is building a development and are having planning/permitting challenges. It is eye opening as to what the process is and is putting that on a priority list.

Perry Eskridge from Whatcom Realtors started his presentation stating coming from the realtor's point of view when doing advocacy for housing every job needs to have a home in close proximity to go to every night. The growth of Bellingham has affected the overall growth of the County. It was projected the County would need 11,000 housing units by 2018 however, it is 2018 and we do not have them. Bellingham just updated their housing consolidated plan. It shows families are paying more than 50% of their income for housing. At that rate, they are unable to maintain their home. There is now a define blur about what is considered affordable housing and what is subsidized housing. Median home price is \$410,000 in Bellingham. Permit fees and land cost are the biggest cost. Bellingham was talking about raising transportation impact fees by \$1,000. He estimates this increase fee will impact around 139 families.

Don Goldberg- There is the duality that is created with this dilemma. What is the solution as we grow? How do we pay for the additional infrastructure we need?

Perry Eskridge comments- That is why we are trying to have conversations with the city and Sustainable Connection. Houses that are being built and what people are searching for are two different things. People want smaller homes and smaller lots. They don't want big yards and big homes. The millennials want to live in urban villages that are centrally located with lots of amenities and close to their jobs. Millennial home ownership is up 40%. The last comprehensive plan talks about buildable land. We can re-zone for building that is more compact but there is neighborhood opposition. There is institutional pushback and we need a lot of leadership. If the Realtors provide push back of course they will look like they are self-serving. An organization like Sustainable Connection would be better suited but we also need leadership from the business community to deliver the message we need housing for our employees. Glad to be addressing this group because the business community is the piece that has been missing.

Ryan Allsop asked the questions- What specifically are you asking us to do? We don't want to sit in meetings and have nothing come out of those meetings. What can we do create change? We have to deal with this now. Are we talking about a policy change? We don't know what to do unless you give us a specific action item.

Guy Occhiogrosso- Suggested if individuals run for office that might create change.

Ryan Allsop- There are many policies that make it challenging to develop in many neighborhoods. There are few places to develop. Bellingham is taking land out of the system. We need to put land back into the system. Every neighborhood needs to be vested in creating more housing.

Carrie Veldman from RJ Group - We are evil developers. We own over 100 acres in town(Bellingham). We have detach units in the north end. Most units do not have a backyard but access to green space. They have over 100 units in permitting or construction. But really that isn't that much. Housing success relies on a lot of things.

Perry Eskridge-Bellingham is getting a new mayor and suggested that the housing conversation is one the group should have with all the candidates who plan to run for office.

Michael Jones- What can we really do? This is a Whatcom County Committee not a Bellingham City Committee. We are supposed to talk to the County Council about issues and polices. We should have a motion to talk to specific organization that deal with those polices.

Michael Jones- We need to determine what our ability is to make recommendation to other entities. The County is not supposed to talk about housing, that is a city issue.

Rose Lathrop -The Housing Alliance is focused on Bellingham because of the impact. If the housing supply is increased in Bellingham we can affect the other cities in counties. We will let you know about when and where to participate. There will be other opportunities for public/private partnerships.

Ron Janicki of RJ Group presented next. He gave a brief of history of Janicki industries from construction/development to logging. Their biggest single issue is housing for their employees. More people commute into Skagit County than out. They developed about 200 units, 60 homes and 70 apartments. Average price was \$300-\$400 thousand dollar homes. People from Seattle, California, and Canada are buying the homes. They focus on developing high-end apartments and low-end homes. Half the folks who are occupying the rental units are from Seattle. The in-fill toolkits have rules set up that do not mess up neighborhoods. It has the green factor and it is allowed to be used only in newly annexed areas. They are working with the city because the floor area ratio. The bank will only finance 4 units. He needs 10 separate banks to do 48 units project. Financing is his biggest hurdle due to Dodd-Frank regulations. He is looking for Seattle based investor so he can do these bigger unit project and to take the pressure off the banks. It is hard to get folks to believe that Bellingham real. They will only do 700 units because they cannot get investors.

Don Goldberg- Have you thought about bringing in foreign investors from Canada?

Ron Janicki- We have worked with Canadian investors before. Carrie is looking at foreign investors for an urban village that she is working on. When are we going to admit that Amazon won? We need to rethink why are we building so much commercial.

Bob Pritchett- Suggested the discussion be paused due to the shortness of time and conclude any business that needed to be done.

Don Goldberg- Stated this committee was created to have a representative of all business sectors. He spoke to County council inquire if they wanted to include a health care provider and recommended Debbie Ahl. He read her background. She is highly educated and capable. If the group agrees he would like to recommend she be voted into the committee.

Doug Thomas moves the motion to have the Health Care Sector added to the committee with Debby Ahl representing it.

Troy Muljat second the motion

All in favor- Motion passes

Doug Thomas- Our original object was to help the County identify economic growth opportunity that are not evident. The group stumbled on the affordable housing issue. We have to have affordable housing for our employees. We are all struggling to hire high caliber employees and are exacerbated. We need to figure out if it is the city, county whom ever. We are being asked by great people to carry a message but we need to have the best people present to us.

Satpal Sidhu- I was in business all my life. Government by design is dysfunctional. The institutional memory of the government is very small. We direct energy into elected officials to change things or we do not re-elect them. The real memory is with the bureaucracy of government. We often forget to bring that into the equation. Elected officials are only part time. How do part-time officials affect change?

Bob Pritchett - There is a city that have outsourced their planning department to a private company. But only the elected officials can make a decision to do something like that. We want to put the pressure of the elected to make change.

Doug Thomas- I understand the system. Satpal is the only elect official that our group has direct contact with and if we see inaction even on a part time basis you have the ability to affect change.

Ryan Allsop- When do we deliver the message we need to know what our action items are.

Don Goldberg- It is important that the group knows what they need to do. Housing is one thing and we need to stay on mission.

Doug Thomas- I agree with Don. We should not have this discussion for 3 months and then move on to a new issue without addressing the housing issue.

Clark Campbell commented and suggested that the group represent north of 3000 employees which translates into a strong representation. Do a collection of number of employees, pay roll, how many part-time employees what is the commute rate of every employee, are those good numbers. Feed the numbers to someone and then aggregate them and present them to the county.

Don Goldberg stated he would reach out and coordinate with the group on what would have the most impact. He will find out what steps they would like to take.

Meeting adjourned at 1:45