

## **Business and Commerce Committee**

Meeting Minutes

April 23, 2019, 12-130pm

Alpha Technologies

**Voting members present:** Bob Pritchett, Chair; Paul Burrill; Andrew Gamble; Doug Thomas; Pete Dawson; Troy Muljat; Drew Zogby

**Voting member calling in:** Clark Campbell, Vice Chair

**Non-voting members present:** Mayor Kelli Linville, Michael Jones

**Members of the public present:** Paul Schlisser, Jennifer Noveck, Gina Stark, Don Goldberg, City Councilor April Barker, Commissioner Ken Bell

Meeting started at 12:15pm.

Move to accept minutes by Bob Pritchett.

So moved by Troy Muljat.

Seconded by Doug Thomas.

Don provided an update on the committee composition. The County Council created two new seats, one for healthcare (for profit) and other (any sector). Healthcare was a big missing sector on the committee, particularly as it is one of the largest employers in the county. County wanted an odd number for voting purposes. Applications are open until April 30, 2019.

Bob Pritchett discussed the thinking behind the recommendations that were generated by him, Troy Muljat, and Pete Dawson.

Bob -

- They started going down the rabbit hole about which obstacles cause the most problems but this was not efficient nor did it seem like it would be worthwhile
- Some years back COB did a reset of the commercial code, why can't we do that for residential?
- There is not resistance to following the codes, they mostly do not mind them, but feel that the codes are enforced arbitrarily and it creates a lot of uncertainty
- For example, the urban villages all have different rules, what is the value of adding complexity here? Particularly when we are in such a bad situation.

Don –

- Maybe it would be helpful if we started calling this a crisis, during a crisis we waive the normal playbook / process. Why not do that here and it is in place either for a specific amount of time or until a certain number of units have been built?

Michael –

- The number of permits issued may not be the best metric for determining need, actually vacancy rates are better and there are set standards for what is considered a healthy rate

Don –

- Also, are we talking about affordable housing or worker housing?

Clark –

- Have we defined the role of a living wage? Because at this point, with 20% down at 4.5% interest, a family needs a minimum of \$85K to even consider reaching the low end of housing
- This is the worker wage range, this is the number of units we need to house these workers

Pete – We do not want to make this too complicated. We do not have enough housing, we just need more housing.

Clark agrees.

Don – Pete & others build in a lot of different markets so they are able to make comparisons and have a clear vision of which places are easier to build in and which are difficult

Pete –

- There is a disconnect between the regulations and what we want
- If we want more housing, policies and regulations should stimulate housing development! All the limitations and code compliance increases time and money

Michael – It's really a two part issue. Sometimes it is the process that holds people up. But sometimes it is the rules too.

Pete – Janicki is building 130 units behind Costco, but was limited to three stories, for what reason? So people can have a view of Costco? He could have built dozens more. Fairhaven has a 4 story being built next to a 9 story building, why shouldn't it also be 9 stories? These complications and restrictions are legitimately reducing the number of units available.

Mayor Linville –

- The resident survey says that people want more housing and affordable housing
- Many of the rules have great goals, however the style-related codes are problematic
- Adaptive management is what we need in a crisis situation, anything that adds housing and does not disturb our quality of life
- When height restrictions have been removed in the past, neighborhoods have been upset
- Unfortunately if we try to do this again, neighborhoods may bring it to Council again and then we end up with height restrictions that do not make sense as the Council is often pressured by voters
- We want professional staff to have discretion so they can ignore difficult rules and make it easier to issue the permits
- Also very supportive of incentives, they are hiring additional staff in order to improve response times and to plan for increased numbers of applications
- What is our goal for planning? Keep our quality of life AND affordable housing

Don – If there was a major earthquake here and homes and businesses were destroyed would we wait 2 years to rebuild and force people to go through the same process? No we wouldn't. Can we treat this as a crisis?

Mayor Linville –

- Some of these changes can be done administratively, some are policies
- But we do have incentives that no one even uses and cannot make it a free for all as this will not fly with residents

Drew – What about a fast track, prepackaged process that can move along at an accelerated pace for certain types of buildings (condos, apartments, multifamily, single family)?

Mayor Linville – There used to be a program at the state level however it was very contentious

Pete – Why can't we throw out the rule book and have big change?

Mayor Linville –

- Totally understand the want for big change
- Have you needed to have land rezoned for projects before?

Pete – If something needs to be rezoned, most people would abandon the project

Commissioner Bell – We haven't talked about housing to cover people moving here? Do we have enough?

Mayor Linville –

- We are absorbing approximately 1500 people into Bellingham per year
- If you look at the traditional way growth has occurred – horizontally – that is problematic for us because we are starting to hit limits [on buildable lands], so we are trying to be flexible about city limits and have planned out annexations

Troy – But the city has limited builders from going up.

Mayor Linville – We still will do both.

Cara – Is the idea [to reset the residential playbook] to take this to all of the cities in the county?

Troy – The dilemma is that we do not want to do infill, most residential is in UGAs and we cannot go outside

Michael – We need to look at this holistically. The county is in charge of the UGA /Buildable Lands, per state law

Don – There are 2-3x the number of planned homes outside of Bellingham currently

Doug – Some have tried to build up, how can we get this to happen? We say we want both but it is not happening at all and we are caught in a state of dysfunction.

Mayor Linville – The current City Council is very supportive of housing

Bob – That is part of the reason why it would be good to do this now. And we have to allow density, remove the height restrictions

Mayor Linville – When housing forums have been held those in support of removing height restrictions tend to not show up. That means that no growth advocates who attend are controlling the conversation and it makes it difficult for the Council to take action give this feedback.

Bob – Doing one offs [leniency for specific housing projects] allows neighborhoods to complain. Do we want more housing or not?

Don – Toronto has absorbed 50K people every year for the past 10 years. Builders need incentives and infrastructure.

Mayor Linville – Infill is for that – to fill in residential areas and put tall buildings where they need to be

Bob – We should remember that land use can change. Manhattan used to be farms. At some point we cannot protect neighborhoods or other issues, we need more density.

Mayor Kelli – Building a high rise in the neighborhoods is a huge bogeyman for many (crime, parking, development, traffic, etc.)

Doug – One of the first issues right off the bat that the committee took on was housing and housing for working people and middle managers. We do not want to be stuck on this topic, but this is the reality we are dealing with. Businesses could expand if they could get workers [if the workers could get housing].

Mayor Linville – If we prioritize some things can be done quickly, but it depends on what we are trying to achieve

Don – Lynden Door has two new buildings and needs 150 workers, but there is no housing. So the same problem exists everywhere [in Whatcom County]. Should the county be the focus of recommendations?

Mayor Linville – Every city needs to do something, just the county is not enough, and we all need to do our part. Providing the small cities with presentations is a good idea.

Don – What about fast tracking? If a company like Alpha wanted to come to Whatcom right now, they would not be able to. In other cities they get VIP treatment.

Mayor Linville – For Costco, we did not do a Costco deal. The rules were made for the entire area and everyone is treated the same. As for the Alpha issue, we can come up with some ideas for how to deal with this

Commissioner Bell – Single family homes are what the vast majority of people want. Why aren't we talking about single family homes?

Mayor Linville – That is what we currently have most of.

City Councilor April Barker – Reverse process to match the rules with needs, is something that a city committee is working on. What housing are we missing? What would zoning and permitting look like for that type of housing? They passed 6-1 the infill toolkit for every single family area

Bob – We have 9 minutes remaining and need to turn to actions

Doug – Port of Skagit and Burlington are both doing better than us, we need to get in front of Council because the longer we wait the worse the situation is going to get. We are being lapped by other places.

Pete – Recommend a 3<sup>rd</sup> party rewrites the rule book, today's discussion and many have been about specific rules, let's get a fresh start.

Don – Should we put that to a vote?

Doug motioned to vote, Bob seconded.

All voted in favor of making this recommendation to County Council.

Troy – it make take a while to change all the issues

Gamble – Have a planner go with builders

Troy – we have heard a lot of case studies and in all of them it takes resources. This is going to take resources.

Clark – is the proposal for 2 recommendations, 1 for residential and 1 commercial

Don – Housing is the main crisis but a new process would encompass all zoning

Michael – I recommend providing discrete and simple things

Clark – Should we vote on referring to this as a crisis? So that we can say the solution is increasing housing capacity within city limits and starting talking about it in this way with electeds

It was then discussed that POB REP would take the documents put together by the committee and draft them into a single document for their approval.

Don – After you make any edits we can schedule to present to the Council, maybe me [Don] and Bob will be the presenters?

Bob – Yes, that sounds good.

Motion to adjourn the meeting by Bob. Seconded by Doug.

Meeting adjourned at 1:35pm.