



CITY OF
BAINBRIDGE ISLAND

AFFORDABLE HOUSING TASK FORCE
SPECIAL MEETING
WEDNESDAY, FEBRUARY 15, 2018
6:00-8:00 PM
COUNCIL CHAMBER
CITY HALL, 280 MADISON AVE N
BAINBRIDGE ISLAND, WA 98110

AGENDA

- Members: Althea Paulson, Chair
 Emma Aubrey Sharon Gilpin Bill Luria
 Jeffrey Brown Stuart Grogan Pegeen Mulhern
 Pat Callahan Edward Kushner David Shorett
 Stephen Deines Ann Lovejoy Charlie Wenzlau
 Phedra Elliott
- Liaisons: Deputy Mayor Blossom Councilmember Scott Commissioner Chester
- 6:00 PM** Call to Order, Review and Approve Meeting Agenda, Conflict of Interest Disclosure
- 6:05 PM** Review and Approve Notes from January 24, 2018 Meeting
- 6:10 PM** Public Comment
- 6:20 PM** Discussion of Work Group Reports and Council Summary
- 7:00 PM** Recent Council Actions: Development Moratorium, CAO
- 7:15 PM** Response to Council Request for AHTF on Possible Inclusionary Zoning Ordinance
- 7:30 PM** Addition of New Members to AHTF
- 7:40 PM** Reports of Current Work Groups
- 7:50 PM** Public Comment
- 7:55 PM** Discuss Agenda for Next Meeting: February 28
- 8:00 PM** Adjourn

***TIMES ARE ESTIMATES**

For special accommodations, please contact Jane Rasely, Planning & Community Development 206-780-3758 or at jrasely@bainbridgewa.gov



AFFORDABLE HOUSING TASK FORCE
REGULAR MEETING
WEDNESDAY, JANUARY 24, 2018
6:00 PM – 8:00 PM
COUNCIL CHAMBER
280 MADISON AVE. N
BAINBRIDGE ISLAND, WA 98110

MINUTES

TASK FORCE MEMBERS PRESENT:

Althea Paulson, Chair
Stephen Deines
Sharon Gilpin
Stuart Grogan

Edward Kushner
Bill Luria
Charlie Wenzlau

LIAISONS PRESENT: Deputy Mayor Sarah Blossom & Planning Commissioner Bill Chester

MEMBERS OF THE PUBLIC PRESENT: Marci Burkel, Corey Christopherson, Jonathan Davis,

CALL TO ORDER: Chair Althea Paulson called the meeting to order at 6:01 pm.

CONFLICT OF INTEREST DISCLOSURE –Stuart Grogan disclosed that his organization (Housing Kitsap) are involved in the Suzuki project.

APPROVAL OF MINUTES: Motion to approve the minutes made by Bill Luria. Seconded by Sharon Gilpin. The motion passed unanimously.

PUBLIC COMMENT: Marcy Brickell said that she had been following the AHTF discussions and the Suzuki project and that she had been attending the meetings. She was glad to see that Suzuki was moving forward and was 100% in support.

Jonathan Davis, who is the architect for the Suzuki project, thanked the AHTF for its support of the project noting it was a small step forward but an important one.

Corey Christofferson indicated that there may be some impacts to affordable housing from the soon-to-be adopted Critical Areas Ordinance (CAO). He had been assured that there were none, but he was not confident that was correct and felt like the AHTF should discuss. The site assessment review process, according to Sarah Blossom, was supposed to be very simple and not require additional consultants. In fact, it appears that the application process involves significant steps and may need to be looked at further.

UPDATE ON COUNCIL SUZUKI PROPERTY DISCUSSION: Althea provided an update on the Suzuki discussion at the City Council meeting on the 23rd of January noting that a resolution was adopted

authorizing the City Manager to negotiate an agreement based on development and affordable housing guidelines consistent with the AHTF recommendations.

Charlie Wenzlau noted that the City Council discussed the inclusionary housing ordinance and that the AHTF should discuss. Althea noted that the topic was later on the agenda.

SMALL/MIDSIZE HOUSING WORK GROUP REPORT: The AHTF reviewed the report from the Small/Mid-size/Micro/ADU group. It had been sent out previously. AHTF really liked the format and encouraged the other groups to use that format. All reports need to clearly state the recommendations of the group; theirs was at the end. AHTF focused on ADUs including:

- Need to be able to insure affordability;
- Permits and documents that are required could be made more simple;
- Must be sure there is a system to manage compliance if affordability required/approved;
- Density is limited by Health Department rules that use bedrooms and additional units to determine the number of septic systems, distribution lines and reserve areas that are required. That makes it prohibitive for many lots. COBI could look at working with the State to change those;
- To increase the number of units, need to create some incentives and improve permitting;
- Anything that lowers the cost is good, i.e. first 20 each year could get a reduction of a few thousand dollars;
- Waive permit fees for the first 20;
- City could create a pre-approved plan, so citizens could go through the process faster;
- Concern that Critical Areas Ordinance may make ADUs cost prohibitive; could there be an exemption from the vegetation area for an ADU since an ADU's size is already controlled;
- Could waive water and sewer hookup fees;
- Concern that need a system to prevent use as an Airbnb. COBI to have strict rules about short-term rentals that can be put in the code or in a contract agreement attached to the title. Seattle has effective rules around Airbnb's to prevent large users;
- Supported idea of a pre-approved plan set in order to get a permit;
- City could support with streamlined financing or even a tax exemption;
- Maybe ADU would not count towards lot coverage;
- Public starts to push back on ADUs when density seems to be going up and impacts. Is there some overall acceptable density?
- Could put in an agreement that the ADU cannot be sold separately;
- Not want to allow for short-term rental which would be easy to enforce by checking VRBO websites monthly; and
- Could put in process incentives like a fast track for approvals that allow an ADU application jump to the head of the line.

In general, report looks great. AHTF would like to propose a few of these ideas to go to City Council. The subcommittee should narrow the focus a little bit and be specific so that the AHTF can suggest action items for the City Council. Maybe take ADUs out of the mix and do more with in the next cycle; should be further study. AHTF to review revisions at the next meeting; which will be in three weeks, not the usual two weeks so can get it reformatted for everyone to review and give comments.

AHTF also discussed idea that City could put a policy in place to incentivize small units such as, small units small get approved faster. Concern was expressed that this might not help affordable housing; for example, some "tiny houses" can be very expensive with high end finishes as opposed to more simple ones. However, still might get some relatively affordable units.

Multifamily Tax Exemption (MFTE) could be recommended and Inclusionary Housing (IH) is already supported at City Council. AHTF could look at MFTE and how these programs work together. City Council looking at number of issues including:

1. Is MFTE a good idea?
2. If IH is voluntary or obligatory, how would MFTE work?
3. Where should MFTE be applied? AHTF generally agreed higher zones and areas with sewer. Should it be applied to all properties from 1 to 100 units? Or, some subset like only projects with x number of units?

MFTE could be implemented faster than an IH program; rules already laid out in state law and in other jurisdictions. MFTE and IH don't do the same thing so could have both in place. MFTE would apply in MF zones though the size of those zones and the number of units is pretty small.

CONFIRM NEW WORK GROUPS: Not sure of the Work Groups that will start soon; Jennifer Sutton and Althea Paulson to review groups and assignments and what work still needs to be done to final a recommendation. Conservation Villages was one. ADU could be a second. Community Assets is a third and might include financing issues like the MFTE, Public Outreach and Education is another. Conservations Villages is mostly done but the committee could go over it for the next time to see if there are any carry-forward discussions or recommendations.

Corey Christopherson introduced the "incremental development" concept from a website called Strong Towns. The site has a number of case studies. Results suggested incremental development, i.e., in small bites instead of in large increments of zoning changes. That strategy increases the total density with less disruption over time. Design, construction and operations all happen at about the same pace so from the perspective of the community, much less worrisome and disruptive. Corey encouraged all AHTF members to review the materials.

Vacant and under used property could be another Work Group or added to the Community Assets Group. Jennifer noted that the COBI's GIS Department could get that data easily. It would be easier to do in residential zones and harder in other zones.

Jennifer Sutton handed out a map for discussion.

Bethany Lutheran Church is working to expand and use its excess property. They need an expansion of the sewer to help move that forward. AHTF could propose to change the rules to allow for expansions for special projects. AHTF discussed whether to add that to the discussion items or a work group. Bethany needs some support to move forward with their community development plans and that requires sewer. The Community Asset Team could look at sewer expansions in general. Sarah Blossom discussed a new alternative sewer system technology using a membrane which had been used in Port Gamble and Jonathon Davis reported had been used in Canada and other places. This might be helpful in some centers to increase density where a public sewer system is not available.

City to start work on IH. Consultants will be retained to do the analysis for a program including:

1. Where should it apply
2. Should it be mandatory or voluntary?
3. What kind? State law 36.7 0.540 establishes affordability for both ownership and rental; could be either or both.
4. What is the level of the fee and how should it be applied? Should fee in lieu be included? Discussion was mixed about whether it should be supported or not. All agreed amount should be set at the right level
5. How would inclusionary housing apply to small project conversions of existing houses? Only to expansions of the number of existing units on a property?
6. How would it apply to small projects? Should small groups be required to meet or just pay a fee?

Those questions should be further discussed by the AHTF. MSRC notes that IH has been used in the number of places but nowhere yet in Kitsap County.

Althea noted that a standing recommendation from the AHTF was that the City create a housing staff person and establish a housing advisory committee to present issues to the city council, manage programs, and sustain the ongoing consideration of these issues.

Althea advised the AHTF that the Climate Action Group had requested a joint meeting with the AHTF.

Althea also advised the AHTF that the Friends of the Farm group had requested a joint meeting.

Inclusionary housing is currently under discussion by the City Council. The City is working with a consultant to do the math to determine if and under what conditions this program might work. Althea noted that Pat had spoken to City Council saying that additional density is necessary to make an IH program work.

There was general agreement by the AHTF to change the next meeting to February 15th to avoid a conflict with Valentine's Day.

PUBLIC COMMENT: Jonathan Davis noted that he did not think ADUs will have a big impact on affordable housing. Up zoning, however, will be critical in order to be able to increase the supply of affordable housing; more than anything else. He would like the AHTF to embrace this issue and discuss an increase, mostly in the Winslow area, where there is sewer.

FOR THE GOOD OF THE ORDER: General agreement that the AHTF should discuss this idea more; maybe increase density in a ring around the Winslow core and in the center consistent with the "incremental growth" idea of earlier. Might be easier for the public to accept the changes in the community. Jennifer Sutton noted that she had presented a map of this idea to Planning Commission during the 2016 Comprehensive Plan Update Process and that there was a lot of additional density possible in the growth area, but the Planning Board did not endorse it as part of the comprehensive plan process.

City Council agreed that the AHTF could recruit new members directly and does not need prior City Council action or review. General discussion followed regarding the process and members agreed that they don't want to advertise but would rather just choose from the people who have been showing

up. The Chair will add an action item to the next meeting for the AHTF to consider and approve members.

Stuart noted Sources of Income Discrimination legislation is on the horizon. A copy of an early version of the bill was sent out. It does not appear that the City needs to do anything since it will be added to State Landlord Tenant Law, but he will get more information.

ADJOURN: Motion to adjourn at 8:05 p.m. approved by a unanimous vote.

DRAFT