



COMMUNITY DEVELOPMENT COMMITTEE MEETING MINUTES

4:00 PM September 18, 2019
2nd Floor Conference Room, City Hall

1. ROLL CALL

Council Members: Mayor Korthuis, Brent Lenssen, Jerry Kuiken, Mark Wohrab
(Kyle Strengolt absent)

Staff: Heidi Gudde, Steve Banham, Mike Martin

Chamber: Gary Vis

County Executive's Office: Tyler Schroeder

Community Members: Dick Vanden Berg, Mr. Vander Haak, Cal Bratt, Kathy Stanford, Darren Johnson

2. DISCUSSION ITEMS

A. Interlocal Agreement – Housing Assistance Sales Tax Rebate

Tyler Schroeder, Whatcom County introduced himself and gave an overview of the House Bill Sales Tax Rebate and the uses for which the sales tax rebate could be used. Whatcom County, because of population, is also able to use the housing support for rental assistance. He spoke briefly about the differences in types of housing – supportive housing, rental assistance, aiding in the cost of development to keep housing costs lower.

House Bill 1406 gives Lynden the opportunity to claim a certain percentage off of the sum of gross sales tax. This total is estimated to be \$23,000 if the City collected on its own. \$46,000 could be collected if the City signed its rebate over to the County. Having the County collect on the City's behalf increases the funding but also cuts down on administrative costs. Lynden is not set up to administer affordable housing funds.

Mayor Korthuis clarified that the rebate would not cost the City additional dollars – that it is not an additional tax but simply a refund of some of the sales tax that would otherwise go to the State.

The City of Bellingham has already signed off on their rebate and will allow the County to collect. The associated resolution has already been passed by the City of Bellingham. City of Ferndale seems to be of the same mind.

Whatcom County Housing Advisory Committee make recommendations on those dollars collected. County Council would make the final decision for distribution. This would be the vehicle for getting some dollars to come back to the Lynden Community as members of the Lynden community are

represented on the Housing Advisory Committee. The Housing dollars will also be reviewed in an annual report to the Advisory Committee from the County Health Department. This represents a single document that tracks the dollars. The report is a commitment that the County is making in association with this program.

The County anticipates that legislation will be passed by the end of October. County will begin to collect by 2020 for distribution.

Kuiken noted that he sat on the Housing Committee for 6 years and felt that it was a good committee and had good representation from throughout the County. Committee noted that the rebate available to the City would quickly be used up by administrative costs of implementing and running a City housing program. Agreed the rebate would be more effective when combined with other County dollars.

Conclusion: CDC recommended that the resolution go to full Council in October. Gudde noted that the resolution was set to move forward.

B. Pepin Creek Design Alternatives

Mike Martin introduced the issue. Noting that the City does not assume that the City will cover the cost of the realignment work. A financial team is reviewing what tools we can use to have development. Also emphasized that the project could only be taken on in phases. He described this as “pay as you go”.

Martin reminded the group that the first area to be developed would be that within the moratorium area which is comprised of 85 acres. The City anticipates that this would be built out at the typical rate of 100 – 120 units per year.

Vis asked about bonding capacity – another reason why the City would not undertake the project all at one time. Martin noted that the City has a relatively large bonding capacity but that would not be the reason why we would not approach the project all as one phase.

The engineering team has been wrestling with the best, most cost effective means of creek realignment but with no clear ‘best option’.

Steve Banham gave an overview of each of the engineering scenarios for the Creek realignment. Two by-pass options, one no by-pass option that includes creek ‘armoring’ in the downstream reach, and one option that is called “do nothing”. Do nothing, in this case, means undertaking no creek realignment but allowing development per the sub-area plan.

Although the scenario plans have reached a relatively detailed level the ability to permit the projects remains a somewhat unknown factor.

As a result, staff is proposing to the Council Committees that SEPA review is recommended to determine how agencies might respond. The agencies would then be formally responding to these scenarios.

Gudde noted that review agencies have seen the non-project SEPA review of the sub-area plan which assumes that a creek realignment will be completed. The creek realignment (project) SEPA will be a follow up to that non-project SEPA.

Transportation network was discussed following a question from Dick VandenBerg about alternate designs. Banham and Gudde gave an overview of a proposed arterial improvement plan that creates one diagonal arterial road rather than both Double Ditch and Benson being improved. Traditionally the sub-area plan has also assumed that Cedar and Homestead Blvd would be east / west connectors. The expense of regional roadways systems is significant. Staff has looked at reducing regional roadways and the required bridges within the sub-area plan as a means of reducing costs. The Whatcom Council of Governments ran traffic studies on the new models and found that proposed reduction was feasible.

In relation to the SEPA process, Lenssen noted that it will be critical to see the comments of agencies regarding this project.

In relation to the no-growth discussion, Banham noted that growth assumptions are important when it comes to revenue of the City.

C. Budget 2020 - Proposed Planning Department Fee Addendum

CDC has seen this fee schedule before. It was reintroduced at this meeting with staff-proposed nominal increase to the current fees.

Gudde noted that some fees, as currently written, required that FRC (Final Review Costs) must be collected, but to date, these have not been collected. FRC's would include tracking staff time and charging the applicant for those hours. Gudde noted that if final review costs, including all of staff's time, were charged, the result would be much higher fees. It may, however, encourage applicants to submit more complete applications – to decrease the amount of staff time it takes to get them ready for approval.

Staff would prefer flat fees be charged. However, some applications allow the City to specifically collect legal review fees. Gudde noted that legal costs of the City as a whole are reaching nearly \$300k annually. Invoices from our legal counsel are already detailed per topic and having applicants bear this

cost seems reasonable. The down side is that legal costs would be unknown at the time of application.

CDC requested that staff revise code, if needed, to remove the requirement to collect FRC's. But, concluded that external costs, such as legal review or a consultant review, should be passed along to applicants. Internal costs -staff time- would not be passed along to applicants. Mayor Korthuis noted that if legal counsel was brought in-house then the Council would need to determine if this became an 'internal cost' or still one that would be passed along to applicants.

D. Next Meeting Date was October 23, 2019. Lenssen requested that this meeting be switched to a Tuesday, October 15