

Planning Commission
Meeting Minutes
June 21, 2016

Approved: KMD



6:24:55 PM

Chair Chris Holland called the meeting to order. Other commissioners in attendance: Greg Tisdel, Chris Adams, Kathryn Beck, Megan Dunn, and Alex Lark.

Commissioners Absent: Loren Sand, Richard Jordison, and Michael Zelinski

Staff Present: David Stalheim, Rebecca McCrary, and Kathy Davis

Meeting Minutes

Motion: Commissioner Dunn made a motion to approve the June 7, 2016 meeting minutes. Commissioner Beck seconded the motion.

Vote: Commissioner Lark, abstain; Commissioner Dunn, yes; Commissioner Beck, yes; Commissioner Adams, yes; Commissioner Tisdel, yes; and Chair Holland, yes.

Motion Carried.

Commissioner Reports

None

Staff Comments

David Stalheim, Long Range Planning Manager, stated that the next Planning Commission meeting was scheduled for July 19. There are no meetings scheduled in August.

General Citizen Comments

None

Item 1: Impact Fee Deferrals and Exemptions

Mr. Stalheim stated that the amendments include a proposed fee deferral system that was required by the legislature in 2015 for new single family detached and attached residential construction and also a proposal to have an option to exempt up to 80% of impact fees for low income housing. Mr. Stalheim reviewed the changes made to the amendments since the May 17, 2016 public workshop. As part of the deferral process, the City is proposing a \$250 administrative fee for each unit. The Master Builders did send in a comment letter which was distributed to Planning Commission.

Commissioner Adams asked about the language regarding deferrals that can be limited to the first 20 single family homes. Mr. Stalheim responded that the legislature requires the city to allow each builder to request at least 20 single family homes be deferred from impact fee payment, and that there was no maximum to the number after 20.

Commissioner Beck asked about the intent of the deferral legislation. Mr. Stalheim responded that over the years the builders association has been lobbying for an impact fee deferral program. The legislation requires cities to adopt and maintain a system for deferred collection of impact fees for single family detached and attached residential construction by September 1, 2016. Mr. Stalheim added that the intent of the builders association was to lessen their capital costs upfront and delay their payment until the project is constructed or sold. Initially, the lobbying request was much broader than single family construction.

Commissioner Beck was concerned that the deferral would limit the ability to provide services at the government level. She stated that part of growth is supporting that growth. Mr. Stalheim commented that fee deferral didn't eliminate the fee. Commissioner Beck understood; however, she wasn't in support of that legislation. She was supportive of the affordable housing exemption.

Commissioner Dunn asked if the City had received any comments back from the School District. Mr. Stalheim did submit the proposal to the School District but didn't receive any formal comments. He stated that Mr. Booth was in the audience if he would like to comment.

Commissioner Adams asked for clarification regarding the 20 units. Mr. Stalheim responded that the language reflects 20 units; however, the City has the flexibility to go higher than 20 units which is the minimum required by state law. Mr. Stalheim added that the City doesn't anticipate a lot of demand for detached and attached single family developments in Everett.

Commissioner Adams asked if the County had experience in administering the deferral program. Mr. Stalheim responded that the County hasn't adopted anything under the new statute; however, he thought that the County had an existing deferral program. Rebecca McCrary, City staff, added that the County had a deferral program but she wasn't sure how they administered the program.

Commissioner Beck would support the staff resolution; however, she stated that she had an issue with what was mandated at the state level. She added that growth needs to support itself and occur as growth happens.

Commissioner Adams referred to the 100% exemption proposal and asked about the backfilling of funds. Mr. Stalheim responded that there would have to be another fund source to pay for the additional 20%.

Citizen Comments

Victor Harris, 3017 Lombard, asked if there was a specific project in mind for the low income housing 80% exemption proposal. He was concerned about saturating the city with low income housing. Do we continue to expand our low income housing or do we take steps to bring in higher level income to continue to see solvency in the city? He stated that Everett needs a population that can support restaurants, retail centers, and attractions located in Everett.

Chair Holland asked about the oversaturation of low income housing and if the low income exemption amendment was in response to a specific project. Ms. McCrary responded that there are policies regarding poverty concentrations in regards to funding, and the amendment wasn't proposed in response to a specific project.

Motion: Commissioner Beck made a motion of close the public hearing. Commissioner Dunn seconded the motion.

Vote: Commissioner Lark, yes; Commissioner Dunn, yes; Commissioner Beck, yes; Commissioner Adams, yes; Commissioner Tisdell, yes; and Chair Holland, yes.

Motion Carried.

Chair Holland stated that he was in support of the proposed amendment; however, he didn't support the cap per year, and felt that should be unlimited because the City doesn't anticipate a lot of demand for detached and attached single family developments in Everett. He didn't support the administrative fee as proposed. He was also concerned that there were no comments from the School District on the deferral program.

Commissioner Beck stated that she would be concerned about an unlimited cap and was more comfortable with the resolution as written. She understood that the City was mandated by the State to provide the deferral program, although she didn't agree in principle. She didn't have a problem with the administrative fee.

Chair Holland referred to the Resolution Exhibit A, and asked if the first sentence on page 2, section C.9 could be amended to read:

"After the applicant has paid all deferred transportation impact fees, the applicant is responsible for submitting a lien release application to the City on a form approved and provided by the City. . ."

Chair Holland added that change should be added to the other chapters as well. In section C.12, he would like to add a note that the fee would be a one-time fee for both transportation and school impact fees.

Commissioner Tisdell asked what the time period would be for deferral of the impact fees. Mr. Stalheim responded that currently those fees are collected at the time of permit issuance. Under the proposal, the impact fees would be collected at the time of sale or 18 months from the time a building permit is issued. Commissioner Tisdell stated that in terms of housing affordability adding those costs earlier than necessary passes those impact fee costs to the buyer. He asked how long it took to build the infrastructure to provide the services after impact fees are collected. Mr. Stalheim responded that under the statutes, the City has to account for the fees under separate funds and those impact fees collected need to be used within six years for infrastructure improvements.

Commissioner Lark had some concerns regarding incentivizing single family detached construction in terms of affordable housing in urban areas; however, he would support the amendment. Commissioner Beck stated that the deferment program would probably have no impact on the cost to the home buyer. The deferment program only delays the payment of impact fees to the City for transportation and school improvements.

Commissioner Adams stated that he would like to have a later discussion regarding a deferral program as an incentive for other types of housing construction. Mr. Stalheim responded that he anticipated the discussion regarding incentives for housing and commercial uses during the Metro Everett process.

Motion: Commissioner Beck made a motion to approve Resolution 16-08 as presented by staff. Commissioner Lark seconded the motion.

Vote: Commissioner Lark, yes; Commissioner Dunn, yes; Commissioner Beck, yes; Commissioner Adams, yes; Commissioner Tisdell, no; and Chair Holland, no.

Motion Carried.

Item 2: Housing 101

Ms. McCrary introduced Kristina Gallant who is with the Alliance for Housing Affordability. Ms. Gallant provided an overview of affordable housing needs in Everett, including incomes, demographics, supplies and strategies. After her presentation, she stated that Commissioners could find more information at www.housingallies.org such as the Housing Plan Guide and a lot more information on demographics.

Commissioner Adams asked about the local baby boomer trends. Ms. Gallant responded that her focus is on the demographic changes, which shows that there are more and more seniors with lower incomes than in generations past and more people wanting to age in place and not wanting to go to retirement homes as early as they might have done in earlier generations.

Commissioner Dunn stated that she was aware of some neighborhood concerns on the Housing First project and asked how the City might improve communication with the neighborhoods to show that those types of projects are important for a community. Ms. Gallant responded that presentations can

be made to the neighborhoods by other providers that have been successful in other places. The Catholic Community Service's Spokane facility is a high quality development and an asset to the neighborhood. Discussion with neighbors could also include what the alternative is.

Commissioner Beck stated that she was aware of a number of affordable housing projects on the east coast that have been moving forward over decades, and those projects are developed as communities and that community attracts people into the area and improves other economic engines in the vicinity. She asked Ms. Gallant if she was aware of any interest to develop larger affordable housing communities in Snohomish County.

Ms. Gallant responded that developing the community has been led more by City planning efforts than the development community in this region. There are a lot of for-profit affordable housing developments in the County in tax credit properties, and the region is drawing more investment from out of state due to the need; however, she wasn't familiar with the developers that are working on the east coast.

Other business

None

8:04:21 PM ADJOURNED



Planning Commission Secretary

7/25/16

Date



Kathy Davis, Administrative Assistant

7-19-16

Date