
9:00 A.M.

Meeting Called to Order – Introductions

9:05 A.M.

- Study Session for a discussion on Economic Development and Affordable Housing with County staff.

Laura Ditmer introduced Roger Wade, Heidi Rathmann, and Julie Graves from Kitsap Consolidated Housing Authority.

Roger Wade, the programs Deputy Executive Director, provided Council Members with background material about Kitsap County Consolidated Housing Authorities projects.

Julie Graves said their mission is to provide housing opportunities to people in order to build stronger communities. She gave an overview of their programs, housing locations, and qualifications, and expressed concern over the difficulty in finding smaller lots in Kitsap County for their Self-Help Program.

Roger Wade said their Self-Help Housing Program, Housing Rehabilitation Program and Second Mortgage Program, serve low-income single-families and reported that it has become more difficult to get funding because of the increased competition.
Lary Coppola asked for clarification about the difficulty in finding lots to build on for single or multi-families.

Julie Graves said the challenge is due to the Growth Management Act, and the fact that lots are approaching $40,000.00, which makes it difficult to keep costs down. She referred to the handout on Kitsap County Income statistics and explained its content to the Members.

Roger Wade added that the Self-Help Housing Program is, for the most part, funded by the U. S. Department of Agriculture who define the rural areas of the County by drawing lines around those areas that are considered by them to be urban, everything outside of that is eligible for this program. He added that now most of that area, because of the Growth Management Act, is outside of either the urban area or the GMA Growth area. He added that the Self-Help Program began buying lots in the $20,000.00 to $25,000.00 range, which is most affordable for people at the 50% to 60% medium income range, but now there are no lots available for less than 40,000.00.

Lary Coppola asked if he sees Smart Growth Policies as making this situation better or worse?

Frank Mahaffay introduced himself for the record and stated he was representing the Kitsap County Association of Realtors. He said he felt that the Smart Growth Polices would make the situation better as long as there is available land.

John Ahl asked for clarification about the Kitsap County Income Chart.

Mark Flynn noted that there is a statutory definition and a market definition of affordable housing; the chart shows the statutory definition. He said the income is determined by household members, as defined by the Federal Government tailored to Kitsap County, and acts as an indicator of affordability.

Julie Graves made it clear that a person can have a typical job and still qualify for subsidy.

Deb Flynn asked what percentage of their budget was from the USDA Rural Development Program as opposed to H.U.D, which considers urban areas?

Norm McLaughlin, Director of Kitsap County Consolidated Housing Authority, said it was about 5% of their budget.
Linda Rowe commented that it seemed that the cost of the land is a very small percentage of the total cost compared to the building materials and labor costs.

Norm McLaughlin said in the Self-Help Program the labor is provided by the homeowners and noted that the cost of the land is one thing; the availability is another. He said they are not able to find ten lots in the rural area of South Kitsap right now.

Lary Coppola questioned if Bainbridge Island residents really needed help?

Norm McLaughlin said that this was a very important issue for them because their policy is to de-concentrate housing. He explained there is more low-income housing in South Kitsap and Bremerton; they have been charged to develop in the central and north areas, this is called Fair Share Housing.

Julie Graves explained the Kitsap County Income chart to the Members.

Norm McLaughlin noted that people earning less than 60% of the median income are having difficulty purchasing a home.

Julie Graves said the H.U.D definition of affordable housing is that rent and utilities cost no more than 30% of a family’s income.

Laura Ditmer asked if there was a federal definition for a family’s living wage?

Norm McLaughlin said no, each program has different definitions of affordability. He said they all use scales and gave an example of 60% of a household’s income, noting that it also depends on location. He said the Washington Center for Real Estate Research compiles a Trends Publication every six months, that provides information about the average priced house and the average income. He also referred to a publication called the Affordability Index and said he would provide a copy to the Members.

Julie Graves explained the Portfolio by Income and Rent chart to the Members.

Norm McLaughlin referred to tax credits and said they are difficult to get because they are applied for at the state level, there is a tremendous amount of competition and it usually takes the following other sources of funding to make it work: 1) Block grant; 2) State Housing Trust Fund; 3) Federal Home Loan Bank; and 4) Taxable mortgage. He said all these things must come together at the same time.
John Ahl expressed surprise that they would encourage people to stay in a location where they were experiencing economic difficulty.

Julie Graves gave an example of someone who may qualify for their program such as a teacher who does not earn a high salary, but is a benefit to the community.

Norm McLaughlin said that people usually only need assistance for a short period of time and noted that their families may also live in the community and help support them. He made it clear that one of the main goals of the Growth Management Act is to provide housing for all income groups throughout Kitsap County.

Julie Graves read from a handout entitled “Factors That May Limit Production of Affordable Housing”. She said that the following factors limit this type of housing: 1) Lack of multi-family zoned land; 2) Utility and Impact Fees; 3) Reaction from the Community; and 4) Land, labor and material costs.

Norm McLaughlin reported that the main thing the Planning Commission could help with was to increase zoning densities for multi-family home sites and increase the opportunities for mixed-use development. He said these organizations need help finding available land, even in the urban centers.

Michael Gustavson felt it was more cost effective to improve existing buildings rather than to construct new ones. He said if the County could make it cost effective for a contractor to build so that he can make a decent profit, he would do it.

Linda Rowe thanked the Kitsap County Consolidated Housing Authority staff for their excellent presentation.

The Planning Commission took a 5-minute break.

Dona Keating and Charles Keating from Professional Options introduced themselves for the record.

Dona Keating said she is currently chairing the Last Mile Subcommittee on Private Sector Solutions. She submitted a document to Council Members outlining the recommendations of the Kitsap Regional Telecommunications Committee and the Kitsap Regional Economic Development Council. She said we are looking today at a knowledge-based economy where the creation
of jobs and wealth is the result of the extent to which ideas, innovation and technology are imbedded in all sectors of the economy. She said the current model for economic development in Kitsap County involves roads and bridges, education, health, the creation of jobs and work force, telecommunications, environment, and quality of life. She suggested that there is a new model that involves economic development by telecommunications overreaching and overriding the old model. She said this will show improved education, less roads and bridges that are necessary, health care with increased access and lower cost, a cleaner environment and quality of life, green high-tech business, and a reduced export of our work force. She noted that approximately 40% of Kitsap County residents are going to Tacoma, Seattle, and other areas in order to work because of the lack of family-based-wage positions available here. She referred to the Council’s discussion on affordable housing and pointed out that when you have something that is viable to a private investor or builder from another area, they see a reason to invest here. She said that would be something that is a little more multi-faceted such as putting up homes that have telecommunications connectivity, which would allow a person to work from home.

Lary Coppola asked for clarification on how telecommunications would help with health care issues.

Dona Keating said Telehealth allows patients and doctors to communicate via a monitor instead of the patient going to the doctor’s office. She continued with the presentation and noted that it is important to understand the cost of not providing these services. She said we would lose existing and potential businesses and knowledge-based work force. She said the document that was handed out explains the different types of telecommunications services that are available and the way that they can be used in every day life and business. She said government officials need to understand policy issues and what it takes to implement a uniform municipality-by-municipality, county-wide set of right of ways, fees and licensing, zoning, and ordinances that can assist putting in telecommunications infrastructure. She gave the example of road projects and said there needs to be a policy in place where they can put down conduit whenever the roads are dug up.

John Ahl reiterated that they were dealing with Zoning Regulations and Comprehensive Plans. He expressed concern over back-fitting areas that are already built up and questioned how it would be possible to provide incentive to existing homes and businesses.
Dona Keating felt they were talking not only about education, but social re-engineering. She said it was important for people who, as an example, are concerned about the environment, to understand that this means less pollution because of fewer cars on the road. She made it clear that these proposed regulations do not mean the old economic model because that is no longer sufficient. The group discussed the difference between fiber optics, copper, and wireless applications.

Lary Coppola asked Charles Keating to explain the little pipe and big pipe theories.

Charles Keating said fiber lines have an enormous capacity; the problem is that it costs a lot to put electronics on either end of that pipe. He explained that there are on ramps and off ramps, so if you might think of it as a 38-lane highway with 2 lanes for on and off ramps. He said this is where the bottlenecks are, and where the difficulty is in providing connectivity to the end user at a cost-effective manner.

Deb Flynn said she was looking at the Comprehensive Plan and noticed that it seemed as if they had already held this discussion about requiring infrastructure for telecommunications. She noted that the policies are not very aggressive, and thought that as long as the implementing regulations are consistent with the current policy structure; she did not see why they would have to wait for the next Plan Amendment Process to do something.

Charles Keating said he sees that most people are not opposed to telecommunications, they simply do not think about it.

Lary Coppola disclosed that in downtown Bremerton, right next to City Hall, there is a facility that houses communications providers, so he sees this as having part of the pieces in place.

Dona Keating said there is a local utility district (LUD) deployment plan that is in action by 2 consultants who are on their telecommunications committee; they are presenting the feasibility and costs on June 6, 2002 from 8:00 p.m. to 10:00 p.m. at the Poulsbo Fire House. In conclusion, she thanked the Members for the opportunity to share the presentation with them.

Deb Flynn suggested they add her Memorandum regarding the January 28, 2002 Minutes to the Agenda for June 2002.
• A Motion was made by Lary Coppola and seconded by Mike Gustavson that the Planning Commission adopt the clarification to the January 29, 2002 Minutes, submitted by Deb Flynn. Vote: Aye: 7; Nay: 0; Abstain: 0. Motion carried.

➢ Work Plan Discussion:

It was determined that a work plan discussion was not necessary.

No further discussion being held, the meeting adjourned at 11:40 a.m.

MINUTES approved this ________day of _____________, 2002

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Richard McConaughy, Chair

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Jeannie Carstensen, Secretary