



COMMUNITY DEVELOPMENT DEPARTMENT
501 North Anderson Street, Ellensburg WA 98926

MINUTES OF ELLENSBURG CITY AFFORDABLE HOUSING COMMISSION

Date and Time: Affordable Housing Commission meeting, June 17, 2020 - 4:30 p.m.

Place of Meeting: City Council Chambers

Present: Nancy Goodloe, Nathan McQuinn, Hannah Tower, Sarah Bedsaul, John Perrie, Delores Gonzalez, Charli Sorenson

Absent:

Others Present: Planning Manager, Jamey Ayling; Community Development Director Kirsten Sackett

1. CALL TO ORDER

Chairwoman Goodloe called the meeting to order at 4:30 pm.

2. APPROVAL OF THE AGENDA

Commissioner Perrie made a motion to approve the agenda as presented. Commissioner McQuinn seconded. All in favor, motion passed.

3. APPROVAL OF MINUTES

Commissioner Bedsaul made a motion to approve the minutes of March 4, 2020 as presented. Commissioner Perrie seconded. All in favor, motion passed.

4. NEW BUSINESS

a. Discussion of finances, sales tax reporting and bonding - Update from finance Director Jerica Pascoe

Finance Director Jerica Pascoe provided a status update on the affordable housing sales tax fund, noting that much has changed since the Commission last met in March. While the AHC may have previously wanted to do bonding, her opinion is that it is not a good time even though interest rates are low at 2%. She said that bonds are predicated upon a stable revenue stream, and they are anything but that as the full impacts of COVID19 are still unknown. The revenue stream for the affordable housing fund is based on sales tax, which is certainly not stable. She shared the May budget report. The 2020 budget revenue projection of \$659,000 will not be achieved, and she believes the number may be closer to \$400,000 by year end. She shared that based on the two grant contracts that were awarded last year – for Crytyl and Hopesource – it will take 6 additional months to accumulate the funds needed to pay out those awards. Considering the current projects, the AHC is looking

at around \$70,000 in cash available by the end of the year. The option for bonding will always be available in the future, but she would recommend that now is not the time to do it.

In sharing the budget numbers, Pascoe referenced an outlay of \$50,000 pulled from the sales tax rebate fund from the State. Chair Goodloe explained that when COVID hit and businesses shut down and people lost their jobs, the City Council committed \$50,000 to go towards HopeSource to provide rental assistance aid. They anticipated that it would fund 25 families for about 3 months of rent. That proposal was brought to Council and approved in April. Director Sackett noted that all of those documents were included in the agenda packets.

In regard to bonding, Commissioner Bedsaul noted that it would not be fiscally responsible to go after bonds at this time. Director Pascoe agreed, and said there should still be a few years of good interest rates available. There was consensus amongst the commissioners to hold off on bonding.

Sorenson recommended that Council provide even more funding for rental assistance. She shared that she is on the committee reviewing requests for assistance and there are numerous requests for assistance for both rent and utility payments. She is also on a resiliency committee based out of Yakima looking at providing similar assistance. She shared several anecdotes of the challenges our community members are facing.

The Commission thought it would be ideal to make available any remaining funds for rental assistance, but it was pointed out by Director Sackett that the affordable housing money was limited to the *construction* of affordable housing. Only the sale tax rebate funding was made available by the State to be used for rental assistance. The Commission still thought it would be useful to seek out any means to help out the community members.

b. Develop an application form for funding applications outside of the formal RFP process.

Goodloe suggested moving this item to the end of the meeting, in order to first talk about the other items related to budget.

At the end of the meeting, Planning Manager Ayling provided a brief overview of this agenda item. He said he would be reducing down the list of the previously-developed 2020 priorities to something workable. It's about creating a more flexible application outside the RFP process. He will begin working on an application and bring it back to the Commission at the next meeting.

5. OLD BUSINESS

None.

6. CITIZEN COMMENT

7. STAFF UPDATE/DISCUSSION ITEMS

a. Monthly Budget Report

Ayling ran through each of the monthly budget reports included in the packet, from February through May.

b. Update on Rental Assistance Funds.

This item was discussed earlier in the meeting, as part of the update from Director Pascoe.

c. 2019 RFP award project updates.

Ayling said that Hopesource has been awarded funding from the County to go towards their multifamily housing project, but the amount is currently unknown. He will be visiting with Craig Kelly this week to get more details on the project which he will share with the Commission.

Ayling stated that Crytyl will be pulling together new budget numbers based on the requirement to pay prevailing wages. Bedsaul expressed frustrations that this wasn't known prior to putting out the RFP. Sackett explained to the Commission that any perceived holes were in the language of the RCW, and that the City hired outside legal counsel to provide an answer. She said that Ellensburg was the first City in the state to put into place the sales tax funding for affordable housing. As such, we were really a pilot community in figuring out best practices and procedures. She noted that other jurisdictions are lobbying the state for more clarity in the RCW, including a desire to know if the money can be used to pay for administration/staffing of an affordable housing program. Staff explained that the impacts of paying prevailing wages meant that the applicant needed to increase his project costs because he would have to pay the laborers higher wages than previously projected. However, the sales prices of the homes would still have to be maintained at a price point that fall with the affordable housing criteria.

Ayling stated that staff has suggested a workable solution and we are making the best of the situation to work with our awarded applicants. Discussion ensued on the topic of prevailing wages. Sorenson asked if the City could ask for a waiver from the State to allow the project to proceed without paying prevailing wages. Bedsaul requested the rationale for how the decision was made to require prevailing wages. Ayling said that he did not have the answers to those questions, but he would check with the City Attorney prior to the next meeting. The Commission asked him to request that City Attorney attend the next meeting, or at least share his feedback.

d. Housing Action Plan Grant Award.

At the March meeting, the Commission was informed that we had applied for a Department of Commerce grant, and the City was successful in receiving that grant. A Housing Action Plan will need to be completed and submitted to Commerce by June 2021. Ayling explained that the Housing Action Plan will be a working document that can be added to and developed upon over time. The point is to get an end product that will be useful to the community. He also said it is a one-time grant, with no match required.

7. COMMISSION REPRESENTATIVE UPDATE

Goodloe asked about how often the AHC should meet. They agreed that once a month would be best, and that the next meeting would be held on July 15, the third meeting of the month.

8. ADJOURNMENT

Perrie moved to adjourn. Goodloe adjourned the meeting at 5:50 pm.