

City Council Minutes – August 19, 2019

Mayor Laurie Gere called to order the Anacortes City Council meeting of August 19, 2019 at 6:00 p.m. Councilmembers Eric Johnson, Anthony Young, Ryan Walters, Brad Adams, Carolyn Moulton, Bruce McDougall and Matt Miller were present. The assembly joined in the Pledge of Allegiance.

Mayor Gere added Item 7b to the agenda: an Executive Session to consider a potential real estate transaction per RCW 42.30.110(1).

Announcements and Committee Reports

Finance Committee: Mr. Johnson reported from the committee meeting the prior Wednesday. He listed topics discussed including revisions to the format of the City Council agenda bill, planning for capital facility projects, and revisions to the fund balance policy.

Parks & Recreation Committee: Mr. McDougall reported from the committee meeting the prior Thursday. He listed topics discussed including a public art donation that would come before Council for consideration the following week, repair of the storm damage to the Washington Park boat launch, recreation programs and siting for same during the high school renovations, the Conditional Use Permit to expand Grand View Cemetery which would be reviewed by Planning Commission before coming to City Council, and the possibility of establishing beach volleyball facilities in town.

Public Works Committee: Ms. Moulton reported from the committee meeting earlier in the evening. She listed topics discussed including ongoing investigation of the city water utility's acquisition of the south Fidalgo water system, two water capital project contracts scheduled for consideration by Council at its August 26, 2019 meeting, and exceptionally favorable marks from the Dept. of Health following a recent sanitary survey of the Anacortes water distribution system.

Public Comment

Wim Houppermans spoke about promoting affordable housing. Mr. Houppermans referenced the presentation about the CSO project at the August 5, 2019 City Council meeting and the expectation that climate change would exacerbate storm events. He suggested that the cause of the stormwater problems was rather development that converted green space to impermeable surfaces and added connections to the sanitary sewer system. Mr. Houppermans suggested that Council investigate whether impact fees could be set proportionally to the value of the sale of a house, so affordable houses would pay less than expensive homes. Mr. Houppermans also repeated his request for an update on the Guemes Channel Trail and its budget. Mayor Gere advised that would be coming forward.

Brian Wetcher, 814 26th Street, requested clarification of the exchange between Mr. Walters and Parks and Recreation Director Jonn Lunsford at the August 12, 2019 City Council meeting regarding whether Council approval was required to proceed with construction of a bike skills park at the former A Avenue dump site in the ACFL. Mr. Wetcher said he had understood that Mr. Lunsford intended to bring the project back for public review before proceeding.

Mr. Walters responded to Mr. Houppermans that councilmembers were sympathetic to the notion of impact fees being proportional to project size but said state law required impact fees to be proportional to the impact rather than the price of new development.

Mr. Walters responded to Mr. Wetcher that he agreed with Mr. Wetcher that the discussion of the bike skills park at the August 12, 2019 meeting concluded that staff would bring the proposal back to Council before taking further action. He added that at its meeting the prior Wednesday the Finance Committee had discussed creating a defined process in the municipal code for capital projects to ensure Council and community buy in before staff began work on large capital projects. Mr. Johnson added that Mr. Lunsford had agreed to prepare a matrix of public comments on the project and staff's response to each. Mr. Adams confirmed that the topic had been discussed at the recent Parks Committee meeting as well and that Mr. Lunsford intended to continue to engage Council in the process of developing a bike skills park.

Consent Agenda

Mr. Johnson moved, seconded by Mr. Miller, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of August 12, 2019
- b. Approval of Claims in the amount of: \$453,535.95
- c. Contract Awards: Treatment Plant Chemicals 19-129-IDS
- d. Street Fair Application: Parkside Block Party

The following vouchers/checks were approved for payment:
EFT numbers: 94252 through 94296, total \$79,919.73
Check numbers: 94297 through 94347, total \$237,120.37
Wire transfer numbers: 254478 through 254596, total \$767.74

OTHER BUSINESS

Resolution 2054: Declaring the intent of the City of Anacortes to adopt legislation to authorize a sales and use tax for affordable and supportive housing consistent with SHB 1406

Planning Director Don Measamer welcomed Kayla Schott-Bresler from Skagit County, board members and Executive Director Brian Clark from the Anacortes Housing Authority, and County Commissioner Ron Wesen to the meeting. Mr. Measamer provided an overview of SHB 1406, referring to his slide presentation which was added to the packet materials for the meeting. He included the timelines for taking action on related legislation. Mr. Measamer emphasized that if the city wished to receive any funding under the legislation it would need to adopt a Resolution of Intent no later than January 28, 2020.

Mr. Measamer invited Ms. Schott-Bresler, Assistant Director of the Skagit County Public Health Department, to explain the County's position and actions to date related to SHB 1406 and potential cooperation between the Skagit County and cities within the county to use funding made available through this program. Ms. Schott-Bresler referred to her slide presentation which had been included in the packet materials for the meeting. She described the estimated and maximum revenue potential, options to bond against the tax revenue, the population eligible to benefit from this funding and the extent of need for affordable housing in the county. Ms. Schott-Bresler then summarized the county's efforts in support of affordable housing since 2017 and described the type and quantity of additional projects the county could complete by bonding with SHB 1406 funding. She concluded her presentation by listing advantages of countywide cooperation to pursue affordable housing goals throughout the county under a shared funding model.

Ms. Schott-Bresler responded to questions from Mayor Gere and councilmembers about whether and how Anacortes could be guaranteed some specific level of funding for projects within the city if it agreed to share eligible SHB 1406 funding with Skagit County and the process for selecting projects to fund. She also responded to questions clarifying her slides regarding estimated countywide housing need at various income levels. Councilmembers discussed voter receptivity to a ballot measure to institute a qualifying tax which would

enable the city to levy the maximum allowable tax under SHB 1406. In response to a question from Mr. Walters, Finance Director Steve Hoglund displayed a worksheet calculating projected revenue under the bill in a variety of scenarios. Mr. Hoglund's slide was added to the packet materials for the meeting.

Mr. Walters suggested exploring a qualifying tax in order to raise enough funding to complete one or more projects on the ground. Mr. Measamer requested Council direction on possible revisions to Resolution 2054 as presented. He suggested adopting the Resolution of Intent as soon as possible and subsequently exploring qualifying local taxes and cooperative agreements with Skagit County and/or the Anacortes Housing Authority.

Mayor Gere invited members of the audience to comment on this agenda item.

Wim Houppermans said that in Anacortes \$1800/month is considered "affordable" and that the cause of this problem was that NAS Whidbey did not require its personnel to live on base so Navy families were using up the housing stock in Anacortes. Mr. Houppermans added that building an additional 300 affordable units would impact the sanitary sewer system.

Brian Clark, Executive Director of the Anacortes Housing Authority, said he and AHA Board members were in attendance to show support for approval of SBH 1406 funding for much needed affordable housing in the community. He added that AHA recently purchased a 9000 SF lot on 19th Street with the goal of developing up to 10 townhomes to serve low income and working families. He responded to questions from Mr. Walters on the status of the Olsen Building, which Mr. Clark indicated could be shovel ready fairly quickly depending on a combination of funding sources. Mr. Clark said the 19th Street property would require less funding and could be shovel ready immediately.

Mr. Walters requested a straw poll of other cities in the county to determine if they intended to take a qualifying tax to the voters. Several councilmembers expressed support for adopting the resolution of intent, then pursuing more information about qualifying taxes (either sales or property), potential shovel ready projects, and potential interlocal agreements or memoranda of understanding with other jurisdictions before taking further action. Mr. Measamer confirmed that Council could adopt a resolution of intent and later rescind it if Council determined that pooling SHB 1406 funds with other agencies would be more effective.

County Commissioner Ron Wesen spoke to the county's goal of making more affordable housing available to those who need it throughout the county. He cautioned that taxes requiring voter approval were not guaranteed. Commissioner Wesen said he was willing to consider any proposals that would get more workforce housing available on the ground.

Mayor Gere again invited members of the audience to comment on this agenda item. No one else present wished to address the Council on this topic. Mayor Gere summarized Council consensus to bring the agenda item back to Council the following week for discussion and possible action on Resolution 2054, to be followed by further research on funding alternatives, potential projects, and collaborative agreements.

Executive Session

At approximately 7:27 p.m. Mayor Gere announced that City Council would convene in Executive Session per RCW 42.30.110(1) for approximately 20 minutes to discuss a potential real estate transaction and that following the executive session the regular meeting would adjourn with no action having been taken. Councilmembers Eric Johnson, Anthony Young, Ryan Walters, Brad Adams, Carolyn Moulton, Bruce McDougall and Matt Miller were present at the Executive Session.

There being no further business, at approximately 7:50 p.m. the Anacortes City Council meeting of August 19, 2019 was adjourned.