



**COMMUNITY DEVELOPMENT DEPARTMENT
501 North Anderson Street, Ellensburg WA 98926**

MINUTES OF ELLENSBURG CITY AFFORDABLE HOUSING COMMISSION

Date and Time: Affordable Housing Commission meeting, December 1, 2021 - 4:30 p.m.

Place of Meeting: Remote meeting held via Zoom

Present (in-person):

Present (virtual): Bruce Tabb, Sarah Bedsaul, John Perrie, Dolores Gonzalez, Hannah Tower, Hongtao Dang

Absent: Charli Sorenson,

Others Present: Planning Manager, Jamey Ayling; Community Development Director, Kirsten Sackett; Kelle Dvorak Vandenberg; David Sturgell

1. CALL TO ORDER

Chair Tabb called the meeting to order at 4:32 pm.

2. APPROVAL OF THE AGENDA

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

3. APPROVAL OF MINUTES OF OCTOBER 6, 2021

Commissioner Perrie moved to approve the October 6, 2021 minutes. Commissioner Tower seconded. **All in favor, motion passed.**

4. NEW BUSINESS

a. CHIP Grant Letter of Support for Stuart Meadows

Planning Manager Ayling said that Habitat for Humanity had requested a letter of support for a grant application they were partnering with the City on to submit. The Department of Commerce has a grant opportunity to apply for a \$2.5 million connecting housing to infrastructure grants. The city needs to be the entity to apply, but if awarded, the funding would go towards a specific affordable housing project. He said that the request is for the Affordable Housing Commission to provide a Letter of Support for the CHIP grant application.

Commissioner Perrie asked if there were any budget implications for the City of Ellensburg. Ayling said that there is no match required, but there is administration work required. He said that the

City would rely heavily on Habitat for Humanity to assist with that paperwork. In the end, this would lower the product cost for the units they will be constructing.

Commissioner Gonzalez asked about the amount available for the grant. Planner Ayling said the total pot is \$37 million, and each project maximum request per project is \$2.5 Million and the plan is to make the request for the full allowed amount. Commissioner Gonzalez asked about the total project cost for the Habitat project, and Ms. Vandenberg responded that it is about \$4.9 million in three phases of 1.7 million. The funding needs to be utilized for the infrastructure-roads sewer etc. Planner Ayling said he will be attending a webinar tomorrow to learn more about project qualifications. Chair Tabb asked if the funding would be disbursed equally amongst each of the 18 homes to be constructed. He asked what the cost would be for the 80% AMI. Ms. Vandenberg said that the homes would be about \$339,000, the cost to the homeowner would be about \$145,000.00 – \$155,000.00 for the cost of the home for 80% of AMI. For 60% it will be \$115,000 – 120,000.00. The costs will vary based on final construction costs. After the webinar she will have a better idea of what can be requested because the grant can only be used for infrastructure costs.

Chair Tabb wanted to know how it will impact the homeowner if the grant is successful. Ms. Vandenberg said that the ultimate goal is to lower the final cost for the homeowner.

Commissioner Gonzalez asked if Habitat would continue with the project even if they did not get the grant. Ms. Vandenberg said that they would be building out the project regardless. Commissioner Bedsaul noted that the grant is more likely to be awarded with the commission's letter of support. Chair Tabb said that he wanted to make sure that all the circumstances were considered.

Commissioner Gonzalez asked if the commission could add a stipulation to the Letter of Support that if awarded it should lower the cost to the homeowners. Chair Tabb restated her question saying it could be phrased that successful award of the project would be applied to lowering the final cost to the homeowner. There was support from the Commission to include a letter of support for the CHIP grant for Stuart Meadows. Chair Tabb asked about the deadline and Ayling noted that the grant is due January 7.

Ms Vandenberg asked for clarification about the value of the proposed street improvements. Director Sackett noted that Developers pay for development.

Commissioner Gonzalez made the motion to support the drafting of a letter in support of the CHIP grant. Commissioner Perrie seconded. All in favor, motion passed.

5. OLD BUSINESS

6. CITIZEN COMMENT

There was no citizen comment.

7. STAFF UPDATE/DISCUSSION ITEMS

a. Update on Affordable Housing Projects

Planner Ayling said for the Stuart Meadows project, Habitat has signed the contract. It will next be going to City Council for approval on Monday, December 6. The civil plans have

been completed and approved by the City, and Habitat's engineer is currently working on the Final Plat application.

1st and Pine project – award was made to Stalder Interests for their multifamily project. The next step is to work on contract

Addison Place, which is already under contract, has learned that the project costs have increased beyond the original quote. The City already provided funding of \$373,000, the County \$332,816. They have come up short by around \$375,000. Planner Ayling wanted to let the Commission know that they may be coming back to the AHC for another request for additional funding. Chair Tabb asked for clarification on the project, and Planner Ayling said that it will still remain 5 units for senior housing.

Chair Tabb asked if there was a clause to exit the contract, and Planner Ayling said that there are terms in the contract that allow for termination.

Commissioner Tower asked if there were any other projects in the wings, requesting funding. Planner Ayling said that there were not. Chair Tabb said that there haven't been any marketing efforts to make this funding source well known. Chair Tabb asked about project status for the Addison Place, Planner Ayling said that they have held a pre-app meeting and they do have a plan set, but they have not applied for the building permit yet.

Commissioner Perrie said that a lot of time has passed, and if Hopesource comes back for more money, he would want to make sure we get the best bang for our dollar. There was discussion about the need to review the original application and look over the contract and make sure that the terms are being met. The Commission requested that the information be reviewed at the next meeting. If Hopesource does end up wanting to come back for a new request, they would like to see a good presentation with a reason for the delay and for the new funding. There was also discussion on receiving regular status updates from Hopesource.

b. Multi Family Tax Exemption Program

Planning Manager Ayling said that he will be taking a resolution to City Council on December 20 expanding the Residential Targeted Area to CC-II. If that is successful, he will come back to the next Council meeting with an ordinance to update the city code language to include the new zoning district. Once that is completed, it will provide an opportunity for developers to utilize the MFTE program in the CC-II zone.

Tabb also noted that the new development going in on the southwest corner of 1st and Pine has applied for the 8-year MFTE.

c. Monthly Budget Report

Planning Manager Ayling reviewed the budget sheet and noted that the revenue is doing quite well. There are funds earmarked but none of them have yet been released. He said the fund balance is closer to \$1.1 million which is a decent amount to be able to fund another project.

d. Ayling also wanted to remind everyone to get their City email accounts set up. As soon as he knows that everyone has them set up, he will begin using it as the primary source

of contact.

8. COMMISSION REPRESENTATIVE UPDATE

Chair Tabb asked if there would be any value in having the Commission brainstorm the types of projects they might want to encourage for use of the funds. Planner Ayling said that it wouldn't be a problem to have that discussion which could then inform the marketing efforts they want to pursue.

The Commission then held general discussion on holding a meeting to discuss their work plan for 2022. A decision was made to hold a second meeting in January to talk through the work plan, and they could meet in the Council chambers to provide distance for spacing.

Chair Tabb asked about when the contract with Commerce will be awarded. Planner Ayling said that we have received an award letter, but Commerce is currently hiring new staff members to help them create the contracts and work with the community. Chair Tabb said that he would expect it to get to us sometime in January or February and asked if the city could sole source the work or if an RFP was required. Director Sackett noted that she thought it could be sole sourced since BERK is on board and they will be able to save us money using the same data for the implementation grant.

Commissioner Gonzalez said that she would like to see a sign placed on the Community Garden property announcing that it will be the site of an affordable housing project. The Commission thought it would be good to make it a positive message about the transition. Director Sackett noted that if the Commission wants to pursue that, it would be appropriate to wait until the contract with Stalder Interests has been signed before placing a sign.

9. ADJOURNMENT

Everyone thanked Commissioner Gonzalez for her service on the Commission. Mayor Tabb adjourned the meeting at 5:20 pm.