

City Council Minutes – November 13, 2017

Mayor Pro Tem Ryan Walters called to order the regular Anacortes City Council meeting of November 13, 2017 at 6:00 p.m. Councilmembers Eric Johnson, Ryan Walters, Erica Pickett, Brad Adams, Liz Lovelett and Bruce McDougall were present. Councilmember Matt Miller was absent. The assembly joined in the Pledge of Allegiance.

Mr. Walters advised that Mayor Gere was in Washington, D.C. lobbying on behalf of Dakota Creek Industries regarding the Jones Act waiver.

Announcements and Committee Reports

Arts Commission Studio Tour Report: The presenter was unable to attend so the presentation was cancelled.

Finance Committee: Mr. Johnson reported from the committee meeting the prior Wednesday at which those present discussed budget topics that would be addressed later on the agenda. Mr. Johnson said the group also discussed agriculture irrigation rates which go back to at least 1935, reflecting the city's longstanding recognition of the value to be had from supporting the farming community.

Planning Committee: Mr. McDougall reported from a recent committee meeting that staff was working on an interim code update to address affordable housing projects. He said the committee had also reviewed the draft Affordable Housing Strategic Plan that would be presented later on the agenda. Mr. McDougall invited the entire community of the Development Regulations and Design Standards Open House scheduled for Thursday, November 16 beginning at 6:00 p.m. in the City Council chambers.

Ms. Pickett reported from the Port/City Liaison committee meeting the prior Tuesday. She said that the Port and City continue to search for an ideal spot for an event center to take the place of the Port Transit Shed in order to free up that facility for water related uses which are preferred under the terms of the DNR lease for the property. Ms. Pickett also reported that Mayor Gere, the Port and EDASC were continuing to interview local maritime businesses who had expressed a need for trained workers and worker housing.

Mr. Walters congratulated the apparent winners of Tuesday's elections.

Public Comment

No one present wished to address the Council on any topic not already on the agenda.

Consent Agenda

Mr. Johnson removed Item 5c, Contract Modification: Guemes Channel Trail - Phase 2, from the Consent Agenda. Mr. Adams moved, seconded by Ms. Lovelett, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of November 6, 2017
- b. Approval of Claims in the amount of: \$530,138.09

The following vouchers/checks were approved for payment:
EFT numbers: 87022 through 87077, total \$347,730.37
Check numbers: 87078 through 87120, total \$187,377.35
Wire transfer numbers: 222954 through 224082, total \$5,268.34

c. Contract Modification: Guemes Channel Trail - Phase 2

Mr. Johnson requested more background on this contract modification. Parks & Recreation Director Gary Robinson explained that Anacortes had received grant funding for the design of this trail segment and that the grantor indicated that additional NEPA permitting work was required earlier than the city anticipated to meet the grant requirements and close out the grant. Mr. Robinson advised that the Anacortes Parks Foundation would be contributing half the cost of the additional work. Mr. Johnson moved, seconded by Ms. Pickett, to approve Consent Agenda Item 5c. The motion carried unanimously by voice vote.

PUBLIC HEARINGS

Public Hearing: Ordinance 3014: 2017/2018 Budget Mid-biennial Review and Modification

Finance Director Steve Hoglund reminded that state law requires a mid-biennial budget review and modification. Mr. Hoglund displayed the proposed modification discussed with Council at its regular meeting on November 6, 2017, noting a net increase of approximately \$185K in the \$60M budget for 2018 which would be easily covered by existing revenue streams or projected increases in tax revenues. Mr. Hoglund noted that the revenue projections included a 1% property tax levy increase and that draft Resolution 1999 to establish that levy was included in the packet materials for the meeting. He proposed that both the budget modification and the property tax levy resolution would come back to City Council for final action at its November 20, 2017 regular meeting. In response to a question from Mr. Walters, Mr. Hoglund confirmed that because the implicit price deflator was greater than 1%, the city did not need to adopt a resolution of substantial need to establish the 1% property tax increase.

At approximately 6:14 p.m. Mr. Walters opened the public hearing on the mid-biennial budget review and modification and the property tax resolution. No one present wished to speak. Mr. Johnson moved, seconded by Ms. Pickett, to close the public hearing. Hearing no objections, Mr. Walters closed the public hearing.

Mr. Walters confirmed that Ordinance 3014 and Resolution 1999 would come back to Council for final adoption on November 20, 2017.

OTHER BUSINESS

Affordable Housing Strategic Plan

Councilmember Liz Lovelett and Planning Assistant Joann Stewart presented the draft Affordable Housing Strategic Plan, referring to a slide presentation which was added to the packet materials for the meeting. Ms. Lovelett recalled that the plan had been under development since early 2016 with incredible public interest and input. The presenters shared data that identified the local area median income, defined income categories of extremely low, very low and low income in relation to that AMI, and reported rental demand and unmet need in each of the income categories. They then share a series of slides tying the Strategic Plan strategies to 2016 Comprehensive Plan Housing Element Goals and Policies. The presentation closed by noting that an annual addendum to the plan would update the goals and document progress and accomplishments each year. Ms. Lovelett and Ms. Stewart summarized the specific goals for 2017-2018. They then responded to councilmember queries about funding opportunities and challenges, data sets used to compile the Strategic Plan, means of encouraging long term rental rather than vacation rental of existing housing stock, and potential investment partners.

Mr. Walters invited members of the audience to comment on the plan.

Eric Petersen, 14489 Gibraltar Road, reported from the EDASC forum on affordable housing and the local economy held November 9. He said one of the key topics was incentivizing developers to build

multifamily housing and rental units which typically have lower profit margins. Mr. Petersen said that the Department of Commerce representative at the forum encouraged communities to incentivize supply. He acknowledged the challenge of finding the people and companies willing to invest in affordable housing.

Brian Clark, Anacortes Housing Authority Executive Director, 719 Q Avenue, conveyed the support of the AHA Board and thanked all those whose extensive efforts had developed the strategic plan.

Councilmembers echoed Mr. Clark's thanks to those involved, particularly Ms. Lovelett and Ms. Stewart.

Mr. Walters shared information gleaned by staff from utility billing records identifying hundreds of homes with extremely low water use for many months of the year, indicating likely vacancy for long periods. He agreed with Mr. Adams on the need to reduce the use of housing stock for transient rentals and encouraged incentives such as height bonuses, removing setback or parking requirements, and up zoning to create more units. Mr. Walters observed that changes to the development regulations could also remove barriers to creating market rate housing that would serve the demand for smaller homes.

Ms. Stewart inquired if Council had further revisions to suggest to the Strategic Plan or if staff should bring the current draft back for adoption by resolution at a meeting in the near future. Councilmembers indicated they were prepared to adopt the plan as presented. Mr. Johnson suggested adoption on the Consent Agenda but Mr. Adams argued that such a significant accomplishment deserved to be adopted by motion on the regular agenda. Ms. Stewart said staff would proceed accordingly.

There being no further business, at approximately 7:00 p.m. the Anacortes City Council meeting of November 13, 2017 was adjourned.