CLALLAM COUNTY
HOUSING SOLUTIONS COMMITTEE
MINUTES of June 3, 2022

MEETING OF THE HOUSING SOLUTIONS COMMITTEE

Chair Smith called the meeting to order at 9 a.m., June 3, 2022. Also present were Randy Johnson, Donella Clark, Rod Fleck, Lowell Rathbun, Gregory McCarry, Shawn McCourt, Shawn Washburn, Sarah Martinez, Colleen Robinson, Nathan West, Kathy Morgan, Colleen McAleer, and Glenn Ellis. Michael Sivia, Wendy Sisk, and Cheri Tinker were excused.

CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL

REQUEST FOR MODIFICATIONS/APPROVAL OF AGENDA

ACTION TAKEN: Johnson moved to approve the agenda as presented McCarry seconded, motion carried

PUBLIC COMMENT

- Ed Bowen, Clallam Bay, commented on survey responses, affordable housing, sub committees, bylaws
- Rod Fleck, Forks, commented on housing costs, sub committees (see attached)

APPROVAL OF MINUTES

- Minutes – May 5, 2022

ACTION TAKEN: Fleck moved to approve the minutes as presented McCarry seconded, motion carried

REPORTS AND PRESENTATIONS

- Craft3 presentation

Erika Lindholm, Craft3 Sr. Business Lender, VP provided a presentation regarding Craft3 loan program (see attached). HSC Members held discussion and asked questions regarding the program.

- Survey results discussion

Smith thanked members for completing the survey. She pointed out 1 hour meetings and subcommittee responses. She recommended addressing topics as agenda items first before going to subcommittees. Members held discussion regarding the responses. Johnson suggested coming up with some agenda items based off comments. No objections from the HSC Members.

BUSINESS ITEMS

- Funding sources discussion
  - American Rescue Plan Act Funds
  - 1590 Funds
  - 1406 Funds
  - Opportunity Fund

Johnson reviewed the difference between each funding source. HSC Members held discussion regarding each individual funding source.

- Bylaw review and motion to approve

<u>ACTION TAKEN</u>: West moved to approve the bylaws amending subsection 6 to add a subsection I specifying a public comment opportunity will be provided or other similar language as recommended by County staff, McAleer seconded motion, no vote taken Motion was tabled pending a review of the Prosecuting Attorney's Office
Johnson commented that the motion made by West is appropriate.
Fleck commented that he believes the State Legislator changed the Open Public Meetings Act regarding public comment. He plans to review.
McAleer raised concerns regarding requirements for subcommittees meeting if a quorum of HSC Members are not attending. She questioned if these meetings need to be open to the public and should it addressed in the bylaws.
Fleck noted that he has served on two other County subcommittees and they operated by sending out a 24 hour notice.
HSC Members agreed to ask the Prosecuting Attorney's Office for an opinion on how subcommittee meetings should be held and if this should be addressed in the bylaws.
McAleer questioned if the current motion vote should be tabled until the Prosecuting Attorney's Office can review.
Johnson agreed with tabling the motion.
Smith noted the motion will be tabled until the Prosecuting Attorney's Office can review the change to subsection I and the subcommittee questions.
No objections from HSC Members.

PUBLIC COMMENT

- Kevin Russell, Port Angeles, commented on Finance, stick build vs ADU, code requirements
- Steve Workman, Port Angeles, commented on short term rentals, financing, building
- Cheri Kidd, Port Angeles, commented on costs adding to building a home, regulations
- Ed Bowen, Clallam Bay, commented on public involvement, subcommittees, bylaws section 3e
- Colleen McAleer, Sequim, commented on the bylaws, subcommittees, North Olympic Legislative Alliance meeting June 30

NEXT MEETING DATE

- July 1, 2022 at 9 a.m.

ADJOURNMENT

Meeting concluded at 10:10 a.m.

CRAFT3

MFH Rates and Terms

Current Pilot	Oregon / Energy Trust of Oregon
Eligibility	Homes located in parks owned by residents and/or nonprofits
Use of Funds	Removal, site-prep, new home purchase, delivery and installation
Max Loan / Term	$50,000 / up to 20 years. Used in conjunction with utility incentives to minimize consumer out-of-pocket
Fixed Interest Rate	• 5.49% (5.67% APR) • No rate increase for lower credit scores
Fees	$750 origination fee

Craft3 presentation
6/3/22

Standard ADU Loan Rates and Terms

Current Pilot	Portland metro-area
Eligibility	Owner occupied SFR. ADU purchased from pre-approved manufacturer or contractor with experience completing projects in price range of available funds
Use of Funds	Purchase and install or onsite construction of ADUs
Max Loan / Term	$250,000 / Up to 20 years
Fixed Interest Rate	• 6.49% (6.68% APR*) - over 100% AMI • 5.49% (5.68% APR*) - 100% and under AMI • No rate increase for lower credit scores *APR, Annual Percentage Rate based on example loan of $130,000 @ 240 mos
Fees	1% Loan Origination Fee + Appraisal costs (if applicable)
Construction Forbearance	Up to 6-month payment forbearance after first disbursement

CRAFT 3

BackHome ADU Loan Rates and Terms

Current Pilot	Portland metro-area
Eligibility	Owner occupied SFR. Must contract with BackHome ADU. ADU purchased from pre-approved manufacturer or contractor selected by BackHome.
Use of Funds	Purchase and install or onsite construction of ADUs
Max Loan / Term	$150,000 / Up to 20 years
Fixed Interest Rate	• 3.49% (3.66% APR*) • No rate increase for lower credit scores *APR, Annual Percentage Rate based on example loan of $130,000 @ 240 mos
Fees	$1,300 Origination Fee, other third party costs = $700
Construction Forbearance	Up to 6-month payment forbearance after first disbursement

Rod Fleck
6/3/2022
Public Comment

Zillow

Save Share More

3 bd 2 ba 1,214 sqft

231 N Blackberry Avenue, Forks, WA 98331

Sold: $329,000 Sold on 03/18/22 Zestimate: None

Est. refi payment: $1,773/mo **Refinance your loan**

Home value Owner tools Home details Neighborhood details

Home in Forks – new construction on City water and sewer.

- Sits on a lot that is 0.15 acres or 100' x 62'
- Property zoned *Moderate Density Commercial* – However, FMC allows residential uses in most zones.

$329,000

- Price per sq. ft. - $271.00
- 30 Year Mortgage:
    - $913.88 mortgage principal/mo
    - + Interest
    - + taxes
    - + mortgage insurance
  - IF monthly payment is $1,773 as noted above:
    - 28% of gross monthly income[1] -> $76,000 annual gross income; Monthly income $6,332; or, $36.54/hr
    - 35% GMI = $60,788 annually; $5,065/mo; or, $29.23/hr
    - 45% GMI = $47,280 annually; $3,940/mo; or, $22.73/hr
  - Median County Income
    - Clallam County[2] = $55,090 annually; $4,591/mo; or, $26.49/hr
    - Forks = $35,786[3] annually; $2,982.16/mo; or, $17.20/hr

Rentals – Not this house

- Census ACS says for Forks – Median Gross Monthly Rent = $647 w/ a ± of $266 = $913
  - Highly unlikely if you can (1) find a place; &/or (2) rent it for that
- Using the 28%, 35%, 45%
  - 28% = $39,129 annually; $3260.71/mo; or, $18.81/hr
  - 35% = $31,303 annually; $2608.57/mo; or $15.05
  - 45% = $24,347 annually; $2028.88/mo; or, $11.71
    - *($14.49 is the 2022 minimum wage/$30,139 annually)*

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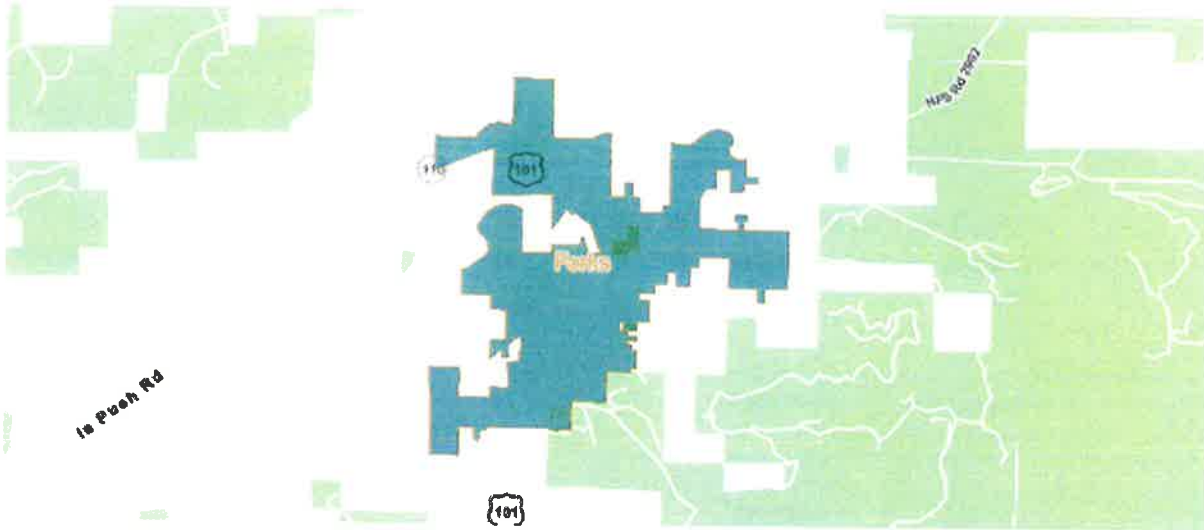
[1] https://www.chase.com/personal/mortgage/education/financing-a-home/what-percentage-income-towards-mortgage#:~:text=The%2028%25%20rule%20states%20that,monthly%20gross%20income%20by%2028%25.

[2] Census Quick Facts

[3] https://data.census.gov/cedsci/profile?g=1600000US5324810

Forks city, Washington

Place in Washington



Total Population	Median Household Income	Bachelor's Degree or Higher	Employment Rate
3,335	$35,786	14.2%	59.6%

https://data.census.gov/cedsci/profile?g=1600000US5324810