

POULSBO CITY COUNCIL MEETING OF JULY 6, 2022

MINUTES

PRESENT: Mayor Erickson; Councilmembers Livdahl, Lord, McGinty, McVey, Musgrove, Phillips, Stern

Staff: City Clerk Fernandez, Housing, Health & Human Services Director Hendrickson, Police Chief Harding

MAJOR BUSINESS ITEMS

- * * * Resolution No. 2022-13, Amending the ILA with Housing Kitsap for the Nordic Cottage Project
- * * * Resolution No. 2022-14, Waiving Utility Fees for the Nordic Cottage Project
- * * * Agreement with Coates Design for Architectural Services
- * * * Grant Agreement with the Department of Commerce for Fire CARES Program and BA#22-0301

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the hybrid meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

2. AGENDA APPROVAL

Motion: Move to approve the agenda as presented.

Action: Approve, **Moved by** Stern, **Seconded by** McGinty.

Motion carried unanimously.

3. COMMENTS FROM CITIZENS

Shannon Turner spoke regarding sacrificing his life for this country, and come Juneteenth, to be told he doesn't need a holiday and doesn't deserve to be here hurts. He said enough is enough. He said he marched in the Bremerton parade on Juneteenth, and no one from the City of Poulsbo attended to represent his community. He does not feel welcomed here.

Alex Carlson spoke regarding the planning for affordable housing in the City. He believes it needs to be high density housing, not 2-5 cottages. He said rent to be affordable should be around \$700 (30% of monthly wages for minimum wage). At his employment they have been running a skeleton crew because they lack the bodies in the local area to

run their business properly. They have been relying on teenagers living at home. To have higher density housing near where he is employed would help many businesses in the area. He also noticed WA State is putting together a police investigation organization and he hopes the City works with them if the bill is passed.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember McGinty said the meeting with the Tribe last week was very constructive and enjoyable. He appreciates what he is hearing tonight, they have a lot to learn, they are trying to learn and respond in the way that they should.

Councilmember Musgrove also enjoyed the meeting with the Tribe. It was a good experience. The comments they hear from the public tonight are taken to heart. This magnifies the reasoning they need to speak and talk, not everyone else understands what someone else needs and it exemplifies you may think you are working your tail off, but if you are not making any headway in the right direction, you are not making any headway. He also noted it is busy all over Poulsbo. Please be careful when out driving. He also said the City's newsletter is available on our website and it is a great way to find out what is happening in the City.

Councilmember Phillips agreed with the previous comments, and also asked for people to be safe on the water, to not drink and drive, and watch out for motorcycles.

Councilmember Lord thanked Mr. Turner for his comments. She appreciates his heart and what he said. She said they have lots to learn to communicate better and understand each other. She attended the change of command ceremony in Keyport. The retiring captain is staying in Poulsbo. She also attended the WWU grand re-opening of the SEA Discovery Center.

Councilmember McVey thanked those who commented tonight. He apologized for not being at the Juneteenth celebration in Bremerton. Poulsbo has spent several months rebuilding their relationship with the Suquamish Tribe, and the Poulsbo Historical Society had a wonderful Martin Luther King Jr. celebration in January and a gay pride celebration recently. He said he tends to focus on events in Poulsbo, and doesn't make it out to Bremerton often, but he certainly supports the holiday. He acknowledged they received a lot of emails the last several weeks about trolls and fireworks. There will be a fireworks discussion at the Public Safety/Legal committee to look at being more consistent with the County Code.

Councilmember Stern said there was a small conflict for some of them for Juneteenth holiday who attended the AWC Conference in Vancouver. He thanked the Councilmembers and Mayor who attended. He thanked Councilmember McVey for participating in the parade of flags during the event.

Councilmember Livdahl said she is joining from Galveston, TX, and said Galveston is the first city where Juneteenth took place. She said she passionately supports this new holiday and believes in its validity. If she didn't have to work that day, she would have loved to have stood by Shannon on that day. She hopes she can participate in those events in coming years.

Mayor Erickson apologized for not attending the event, she had another commitment that day, and then had to drive to Vancouver for the AWC Conference. She hopes to attend next year. She said Jim Reid will be reaching out to talk about the retreat. She said the sealcoat project has been happening in various neighborhoods. The roundabout on 305 is open and functioning, but not its full size. They got the boundary lines recorded for Iverson Street.

a. Department Head Reports

5. **CONSENT AGENDA** – None.

6. **BUSINESS AGENDA**

a. **Resolution No. 2022-13, Amending the ILA with Housing Kitsap for the Nordic Cottage Project**

Health & Human Services Director Hendrickson presented the agenda summary, noting City Council approved an interlocal agreement with Housing Kitsap on January 19, 2022, (Resolution 2022-05). This agreement established a partnership between the City and Housing Kitsap to build the Nordic Cottages at 609 NE Lincoln Road. After this agreement was approved, Housing Kitsap agreed to provide property management services after the Nordic Cottages are constructed.

Council is being asked, to pass a Resolution amending the City's interlocal agreement with Housing Kitsap so both project management and property management services are provided. No additional funds are being requested, at this time, to change the scope of the agreement.

In response to Councilmember McVey, Housing, Health & Human Services Director Hendrickson said the proposal is for three tiny two-story cottages, with two bedrooms per cottage. They hope to have very low-income (30% or less of median income) seniors to be housed in the properties, particularly those who are being displaced.

Councilmember Lord said she appreciated the amendments to the ILA, she thinks they clarify quite a few areas.

Motion: Move to approve Resolution 2022-13, amending the current ILA with Housing Kitsap to develop and manage the Nordic Cottage Project.

Action: Approve, **Moved by** Lord, **Seconded by** Musgrove.

Discussion: Councilmember Livdahl said this was reviewed in Housing, Health & Human Services Committee and they recommended with the amendment. Councilmember Musgrove confirmed it was two units per building, totaling six units. And he said most of the changes are expanding the addition of terms of construction, project management and property management.

Motion carried unanimously.

b. Resolution No. 2022-14, Waiving Utility Fees for the Nordic Cottage Project

Housing, Health & Human Services Director Hendrickson gave an overview presentation for the next two agenda items. Presentation highlights included:

- Requirements of the CHIP Grant from the Department of Commerce.
 - Must create an intent to adopt a future utility fee waiver program to promote affordable housing.
 - No deadline for adoption required
 - Council has broad discretion about what kind of program to adopt.
 - Exceptions for Housing Authorities, PMC 18.310.050
 - Result: fee waivers decided by the Council on a case by case basis.
- Next steps

Health & Human Services Director Hendrickson presented the agenda summary, noting the Washington State Department of Commerce awarded a \$240,000 Connecting Housing to Infrastructure Program (CHIP) Grant to the City of Poulsbo to support the Nordic Cottage Project. This grant is conditional on the City passing a resolution waiving utility connection fees for the three proposed cottages. These waived fees, with a total value of approximately \$90,000 will be reimbursed to the utility fund as part of the \$240,000 grant. City Council is being asked to approve a resolution that waives the utility fee hook up charges for the Nordic Cottage Project with the understanding that all waived fees for this Project will be reimbursed. The resolution also declares Council's intent to adopt a future program to pursuant to RCW

35.92.380 to waive connection fees for low-income persons or classes of low income persons to encourage the creation of affordable housing. A budget amendment will be prepared for \$240,000 once the City secures the Department of Commerce grant.

Councilmember McVey asked about solar power components, and if we waive the connection fees, would they not have access to the reduced costs solar programs. Housing, Health & Human Services Director Hendrickson said the intent to waive the initial hook-up fees and doesn't see why it would prohibit people from getting a discount on utility monthly fees. But that is speculative.

Councilmember Lord was happy to see this program. This is a really good idea. She is glad there is no time limit, this will take great care to bring in all the factors to put a program together that will be city-wide but only on a case-by-case basis.

Councilmember Livdahl said this was one of the recommendations from the Housing Task Force, so it is one of the many tools they can put into their tool kit. It is a good direction to head, and glad there is no time frame, so they can do what is right for Poulsbo.

Councilmember McVey said he was impressed with the design work done by Coates and wondered why they were being asked now to do the contract. Housing, Health & Human Services Director Hendrickson said the work was done on faith.

Councilmember Stern said most construction projects like this have a 10% architecture fee, plus the design will be owned by the City and can be replicated.

Councilmember Musgrove said he is hoping for creating something they can spread out in the future. He also wondered if they could be modular to stack the units together to appear more like a single-family home, or u-shape.

Mayor Erickson said this piece of property is very small, and they are trying to put affordable housing on a very small and difficult property to build on. She agrees with the comment from the gentleman earlier this evening, they need more density. And they are headed in that direction on 4th Avenue. They won't be subsidized but should be relatively affordable. But this project will be subsidized and will require HUD vouchers.

Motion: Move to approve Resolution No. 2022-14, waiving utility connection fees for Nordic Cottage Project with the understanding that fees will be reimbursed by the Department of Commerce and affirm intent to adopt a future utility fee waiver program.

Action: Approve, **Moved by** Musgrove, **Seconded by** McVey.

Motion carried unanimously.

c. Agreement with Coates Design for Architectural Services

Health & Human Services Director Hendrickson presented the agenda summary, noting The City of Poulsbo requires the services of an architect as part of the Nordic Cottage Project. A Request for Qualifications was issued on March 23, 2022 (No. 2022-RFQ-01).

Coates Design was chosen by a six-person review committee on April 13, 2022. The Coates application was scored highest, on the basis of project approach, project organization, past and present performance, and capacity to perform work.

City Council is being asked to approve an agreement with Coates Design to provide architectural services to the City. Services will include the design of three 2-bedroom homes to be sited at 609 NE Lincoln Road. The maximum amount under this contract is \$50,000. Funds will be used from the City's 1406 fund for affordable housing and/or the City's local affordable housing sales and use tax fund.

Councilmember Lord who was on the panel to pick the architect. Housing, Health & Human Services Director Hendrickson said members of city staff, Housing Resources Board, and Housing Kitsap.

Motion: Move to approve agreement with Coates Design to provide architectural services for the Nordic Cottage Project and authorize the Mayor to sign the agreement.

Action: Approve, **Moved by** McVey, **Seconded by** Stern.

Motion carried unanimously.

d. Grant Agreement with the Department of Commerce for Fire CARES Program and BA#22-0301

Health & Human Services Director Hendrickson presented the agenda summary, noting that the City of Poulsbo has been awarded \$194,000 from the Department of Commerce to expand the service capacity of the Fire CARES program. Funds must be

used between July 1, 2022, and June 30, 2023, and are intended to increase staffing and service hours, increase service to regional partners, support training activities, and enhance data collection. City Council is being asked to approve the Agreement and the related budget amendment.

Councilmember Livdahl said they are going to need to find long-term funding sources, or they will have a hard time growing this program to the capacity they need in this community. It needs to be budgeted.

Councilmember McGinty commended Kim for putting together all of these grants and getting them awarded. She has been very busy.

Motion: Move to approve grant agreement with the Department of Commerce to expand and enhance the 2022-2023 Fire CARES Program and authorize the Mayor to execute the agreement AND approve budget amendment #22-0301.

Action: Approve, **Moved by** Phillips, **Seconded by** McVey.

Motion carried unanimously.

7. COUNCIL COMMITTEE REPORTS

Finance-Administration Committee: Councilmember McGinty reported they discussed two positions the Mayor would like to re-align on the pay scale. They recommended approval. Councilmember McVey was elected chair.

Councilmember Stern added the state auditor had its exit conference last week, it was a positive report. They said our books and reporting can be relied upon for decision makers. There were no findings. We had an unusually large audit due to the Johnson Parkway project. He gave compliments to the Finance Department.

Councilmember Stern talked about our community trailer parks (10% of housing stock). Planning & Economic Development Director Wright looked at those steps we might be able to consider in the future, and they should do them proactively, instead of reacting to a problem as it comes. Two options are viable, and they recommended to add them as an agenda item to the Council retreat.

Councilmember Lord said the trailer park preservation has been a passion of hers. She worries about a landowner being motivated to make a good profit. She looks forward to discussing that.

8. BOARD/COMMISSION REPORTS

Mayor Erickson reported at the Housing Kitsap meeting they learned all of their financial reporting is caught up, the audit is done, and they have a cash balance to fund six months.

At Kitsap Transit, they reported due to State law, people 18 years and younger ride for free, so they had to amend their fare schedules. She requested that they review all route structures (haven't seen that data in three years). Kitsap County Health District is adding non-elected people to the board due to state law, and the new form will begin in two months. They also talked about the nurse-family partnership, where nurses are paired with vulnerable young women, and work with the mother and child until the child is age two. The Department of Emergency Management reviewed Cascadia Rising. She is pushing for CERT training to come back up to Poulsbo, as part of the Parks & Recreation department.

9. CONTINUED COMMENTS FROM CITIZENS

Rick Eckert said allowing private citizens to do heavy duty mortar launched aerial fireworks is not okay for many reasons. He said the ordinance is violated all year round. If it is not going to be followed, what is the point of having it.

10. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Musgrove thanked the public for their comments.

Councilmember Phillips said they talked about the fireworks last year and had made recommendations on changes. He said NK Football is going to California this weekend to play in a tournament (7v7 passing league), and the HS track and field is being improved.

Councilmember Lord said the Poulsbo Arts Walk is this weekend and there is a painting event at Western Red. She said the meeting last week with the Suquamish Tribe was a worthwhile first step.

Councilmember McVey said the meeting with the Suquamish Tribe was productive, and thanked the Mayor and Councilmembers Stern, Livdahl and McGinty who set up the meeting. He recognized Councilmember Stern for a decade's worth of service at AWC, and is now moving onto the Public Works Board.

Councilmember Livdahl said she agrees with what Rick said, and she loathes the fireworks. She is not a veteran of any kind, but Poulsbo sounds like a war zone. She would like them to stick to the holiday and end at a reasonable hour. She would be in favor of an outright ban.

11. EXECUTIVE SESSION

- a. 60-minute executive session to discuss performance of a public employee per RCW 42.30.110 (1)(g).

At 8:10 p.m., Mayor Erickson recessed the meeting into executive session. No action was taken.

12. ADJOURNMENT

At 9:10 p.m., Mayor Erickson adjourned the meeting.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk