



Anne McEnerny-Ogle, Mayor
Bart Hansen · Ty Stober · Linda Glover
Laurie Lebowsky · Erik Paulsen · Sarah J. Fox

March 8, 2021- Vancouver City Council Meeting Minutes

WORKSHOPS

Workshops were conducted remotely over video conference utilizing a GoToMeeting platform. Members of the public were invited to view the meeting via the live broadcast on www.cvtv.org and CVTV cable channels 23 or HD 323, or on the City's Facebook page, www.facebook.com/VancouverUS, or listen via the GoToMeeting conference call.

4:00-5:00 p.m. COVID-19 Pandemic Emergency Response and Management Update

Eric Holmes, City Manager, 360-487-8600; Julie Hannon, Incident Commander for COVID-19 Response, 360-487-8309; Natasha Ramras, Chief Financial Officer, 360-487-8484; Jonathan Young, City Attorney, 360-487-8500; Aaron Lande, Program and Policy Manager, 360-487-8612; Chad Eiken, Community and Economic Development Director, 360-487-7882; Ryan Lopossa, Streets & Transportation Manager, 360-487-7706

Summary

Staff provided Council with an update on the City's activities and programs related to the emergency response to the COVID-19 pandemic.

5:00-6:00 p.m. Commercial Corridors Strategy Update

Bryan Snodgrass, Principal Planner, 360-487-7946; Cayla Cothron, Associate Planner, 360-487-7899

Summary

Staff provided Council with an update on the outreach and planning activities related to the Commercial Corridors Strategy.

COUNCIL CONSENT AGENDA MEETING

This meeting was conducted remotely over video conference utilizing a GoToMeeting platform. Members of the public were invited to view the meeting via the live broadcast on www.cvtv.org and CVTV cable channels 23 or HD 323, or on the City's Facebook page, www.facebook.com/VancouverUS. Public access and testimony on Consent Agenda items and under the Citizen Forum were also facilitated via the GoToMeeting conference call.

Call to Order and Roll Call

The Consent Agenda meeting of the Vancouver City Council was called to order at 6:30 p.m. by Mayor McEnerny-Ogle. This meeting was conducted remotely over video conference.

Present: Councilmembers Fox, Paulsen, Lebowsky, Glover, Stober, Hansen, Mayor McEnerny-Ogle

Absent: None

Also present on the call were the following: Eric Holmes, City Manager; Jonathan Young, City Attorney; Amanda Delapena, Assistant to the City Council; Chad Eiken, Community and Economic Development Director; Patrick Gilbride, IT Director; Peggy Sheehan, Community Development Programs Manager; and members of the public.

Citizen Communication (items 1-3)

Mayor McEnerny-Ogle opened Citizen Communication and, receiving no testimony, closed Citizen Communication.

Consent Agenda (Items 1-2)

Motion by Councilmember Stober, seconded by Councilmember Fox, and carried unanimously to approve the Consent Agenda.

- 1. Continued use of Washington State contract #01114 for purchase of Cisco network equipment, software, and services from PC Specialists dba Technology Integration Group (TIG)**

Staff Report 036-21

Summary

The City uses Washington State contract #01114 to purchase Cisco network equipment such as firewalls, security appliances, network

switches, wireless access points and network-related software and services.

The City is requesting authorization to continue to use the contract to purchase up to the Council-approved annual budgeted amount for these commodities through the end of the contract, which is 5/31/2021, and into any extended period negotiated by the State of Washington.

The City is approaching the approved amount authorized in 2016 and requests authority to continue to purchase using this contract up to the amounts approved by Council in the City's budget process.

Request: Authorize the City Manager or their designee to approve purchases under Washington State contract #01114 for the life of the contract with PC Specialists dba Technology Integration Group.

Patrick Gilbride, Information Technology Director, 487-7650

Motion approved the request.

2. Approval of Claim Vouchers

Request: Approve claim vouchers for March 8, 2021.

Motion approved claim vouchers for March 8, 2021, in the amount of \$6,386,660.14.

Old Business (Item 3)

3. Multi-Family Tax Exemption Program Phase 1 Changes

Staff Report 037-21

AN ORDINANCE amending Chapter 3.22 VMC related to the multi-family property tax exemption changing definitions, deleting references to public amenities and expanding the area eligible for the program; and providing for an effective date.

Summary

On December 7, 2020, staff proposed an ordinance for Council approval that would have adjusted the Area Median Income (AMI) used to determine maximum affordable rents by -30% to be more representative of Vancouver's median income. Following a discussion after the public

hearing, Council voted to not approve the ordinance, citing concerns about how such a change might inadvertently reduce participation in the MFTE Program and therefore decrease the supply of new units.

Council remains concerned about the disparity between the HUD-based “affordable income” benchmark used by the program and Vancouver-specific incomes, and asked staff to return with a proposal that would balance the desire to base the affordable options on Vancouver median income with a desire for the program to continue to provide an attractive incentive for development of new housing targeted to a range of income levels. The current reference to “affordable” in the MFTE ordinance communicates that the program is designed to deliver housing that is affordable to Vancouver residents when in fact – because of the disparity noted above - it is not. The MFTE is, however, effective at stimulating development of additional multi-family housing available to a range of income levels.

Council discussion suggested that the benefits of the program could be maintained and the ordinance be made more accurate if the term “affordable housing” were replaced throughout the ordinance with some other term that is more accurate. While it will take some time to develop an alternative to the current “affordable” option that balances the above goals, staff could return to Council on a fairly short time frame with an ordinance that replaces “affordable housing” with “below market,” “work force,” or “income-based.”

Based on feedback from Council on December 7, 2020 regarding the proposal to revise the Area Median Income (AMI) benchmark used by the program, staff revised the proposed work program to combine an analysis of the affordable options into more comprehensive look at how the program is working, areas where it might be expanded, and how the program can be further refined to address specific policy goals in each area. At the January 4, 2021, Council workshop, staff provided more data on how the MFTE program has been used since 2001, and proposed a revised work program for addressing the above issues in a more holistic manner.

At the January workshop, Council acknowledged more time would be needed to develop a more comprehensive set of revisions to the program, and confirmed their interest in more quickly advancing changes to the MFTE ordinance that address: 1) the lack of clarity in the public benefit requirement for market rate housing, and 2) elimination of the use of the term “affordable” in the ordinance when the maximum rents under the “affordable” options have been found to not be affordable to families earning below the Vancouver-specific median income level. These are seen as potentially being interim changes until a set of more comprehensive changes can be considered later this year.

The proposed ordinance would provide for the following phase 1 program revisions:

- 1. Replacement of the term "affordable" with the term "income-based," as an interim solution to the discrepancy between Vancouver incomes and the income benchmark used by the program.*
- 2. Refine the public benefit requirements regarding type of qualifying amenity/infrastructure under the market rate option, such as deleting enhanced design, enhanced landscaping, energy efficiency, and consistency with the subarea plan, the relative value of which have been found to be difficult to quantify, or have been difficult to administer.*
- 3. A proposed revision to the downtown MFTE boundary to bring in a 2-acre property that is adjacent to the downtown VCCV area, which would facilitate a major mixed use redevelopment proposal.*

At the February 22, 2021, workshop, City Council asked staff to return with several changes to the public benefit requirements, which have been incorporated into the draft ordinance, as follows:

- 1. For parking to be considered a "public benefit," Council requested that the ordinance require a minimum number or percentage of additional spaces above the minimum parking requirement. Staff is proposing that the developer provide 10% more parking spaces than the minimum requirement in order for this to qualify as a benefit;*
- 2. Additionally in regard to parking as a public benefit, Council requested that only spaces within a parking structure, versus surface parking, be eligible as a public benefit and this change has been incorporated into the ordinance.*
- 3. Council requested that a minimum size of any proposed public plaza be established, and that any public plaza used to qualify for the incentive be accessible to the public after the tax exemption period expires. Staff is recommending that public plazas be at least 1,000 square feet in size and permanently accessible to the public (which can be formalized through an easement or covenant);*
- 4. Lastly, Council asked that staff propose a minimum value/cost of the features so that collectively the public benefit is something substantial. Staff is proposing that the cost of the features, which would be "up front" be no less than 25% of the estimated tax benefit over the abatement period.*

The second phase, which would likely take most of 2021 to complete, would consist of a more comprehensive evaluation of how the MFTE Program is working and ways that it should be adjusted to be a more

effective tool in furthering city goals. The second phase would include:

- 1. Additional analysis regarding the use of the MFTE program for affordable housing, in order to base maximum rent on Vancouver median incomes while maintaining participation in the program;*
- 2. Consideration of an expansion of geographic boundaries of program to include Mill Plain Corridor to include the Heights District, broaden Fourth Plain Corridor, and potentially other areas where multi-family housing is desired; and*
- 3. Analysis of the overall efficacy of the program to review and refine policy goals and adjust the incentive by area as needed to accomplish policy goals.*

Request: On Monday, March 8, 2021, approve ordinance on first reading, setting date of second reading and public hearing for Monday, March 15, 2021.

Chad Eiken, Community and Economic Development Director, 360-487-7882

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Chad Eiken, Community and Economic Development Director, provided an overview of the proposed amendments to the MFTE program.

Councilmember Stober stated he appreciates changing the terminology from "affordable" to "income-based," noting it is not perfect but an improvement. He expressed concerns about striking "energy efficiency" from the list of public benefits, stating he would rather see some kind of placeholder language there, but given that the City is currently developing a climate action plan, he stated he recognizes the Council could consider additional changes to this section of the MFTE program later on to align with the goals of the City's climate strategy. He stated he is supportive of bringing the Kirkland property into the MFTE boundaries at this time.

Councilmember Hansen noted that energy efficiency may be difficult to quantify and measure at this point, but renewable energy would not be. For example, a developer could propose to provide solar energy infrastructure as a public benefit.

Councilmember Glover agreed but stated she would rather wait to get more information on the City's developing climate action plan before adding specific renewable energy incentives to the public benefit options of the MFTE program.

Councilmember Stober asked if a developer would still be able to utilize

energy efficiency investments as a public benefit under the MFTE program if that is not called out specifically in the ordinance. Mr. Eiken stated the list in the ordinance is not all-inclusive. He explained it has been difficult to quantify things like energy efficiency, but striking that out of the list of examples would not preclude a developer from proposing it to the City as a public benefit. But putting it into the ordinance means the City must count it as a public benefit.

Councilmember Stober asked if staff could come back and quickly add specifics regarding energy efficiency and renewable energy to the public benefit section once the climate action plan is adopted. Mr. Eiken confirmed that would be possible.

Councilmember Fox stated she is reluctant to expand the MFTE program area while Council and staff still have a lot of work to do on the comprehensive evaluation of the MFTE program. She stated she supports the change in terminology to "income-based" housing, but does not support expanding the boundary until the program improvements are finalized and the Council has come to agreement on what the entire program should look like.

Motion by Councilmember Fox to move the ordinance forward with the changes to the terminology and the public benefit options but excluding the expansion of the program boundary failed for lack of a second.

Motion by Councilmember Glover, seconded by Councilmember Paulsen, and carried 6-1 to approve the ordinance on first reading, setting the date of second reading and public hearing for Monday, March 15, 2021. Councilmember Fox voted No.

Citizen Forum

Mayor McEnerny-Ogle opened the Citizen Forum and received the following testimony:

- Cathryn Chudy, Vancouver, spoke in support of the City's moratorium on large-scale fossil fuel facilities and the development of a climate action strategy.
- Alona Steinke, Vancouver, stated the energy crisis in Texas following the winter storms is an example of why governments and communities need to look at alternative energy sources, and noted that another benefit to reducing emissions is improving the health of a community.
- Don Steinke, Vancouver, urged the City to require new buildings to produce net zero emissions and require developments to install electric vehicle charging infrastructure prior to laying pavement for projects.
- Den Mark Wichar, Vancouver, urged the City to tie into the state's climate

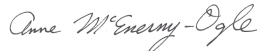
reforms. He also expressed support for the City's progress related to police reform and how it has handled the COVID-19 pandemic.

- Peter Fels, Vancouver, stated the City and other governments need to act urgently to address climate change and meet long-term commitments with immediate interim actions.
- Teresa Hardy, Vancouver, urged the City to adopt the most aggressive goals and strategies for its climate action plan.
- Heidi Cody, Vancouver, spoke in support of the City adopting the quickest and boldest strategy in its climate action plan. She also urged the Council to make the moratorium on large-scale fossil fuel facilities a permanent ban.

There being no further testimony, Mayor McEnerny-Ogle closed the Citizen Forum.

Adjournment

7:21 p.m.

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Anne McEnerny-Ogle, Mayor

Attest:

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Natasha Ramras, City Clerk

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