



TRANSCRIPTION: Questions & Answers from the Community Meeting held on May 4, 2021 regarding the master planning process and housing feasibility study in the Bayview RAID (Rural Area of Intene Development)

NOTE: There will be a 2nd community meeting in October where final study results and recommendations will be presented.

Won't septic be an issue? Do you have a septic plan? What will you do about waste water management? (Answered by Dave Rodgers, MIT Engineering, Seattle, member of the design team)

We are working closely with local septic designer Jerry Stonebridge and David Maciolek, co-developer and lead engineer of the Living Machine[®] System.

One purpose of a RAID is to focus development that requires a significant amount of land for septic and reserve fields in one specific area. As each of the project's buildings comes online, Jerry will identify both the septic and reserve fields—land that won't be used for any other building uses.

We expect that the early development will have a traditional septic field, both for financing and timing reasons. MIG will be working with David and Jerry on investigating emerging technologies that reduce the land requirement. There are treatment wetlands, living machines, and filter membrane systems we can consider.

We want to be able to treat the water to tertiary levels so you can reuse that water for washdown, to use that water for irrigation, to flush toilets. To look to sustainability and using water twice, and to minimize the land foot print. The goal is to minimize land pressure and maximize the sustainability of those systems.

What is your goal for the number of people you'd like to house. Fourty-four were mentioned in one of the slides. And if 44 is the maximum demand, is that amount high enough to interest any developers? (Answered by Jake McKinstry, Principal of Spectrum Development Solutions, member of the design team)

This is a phased approach. We want to be sure the land can service the demand that exists and that the infrastructure is there to support it. If there was a demand for 200 workforce housing units tomorrow, we need to know we can build the infrastructure to support that.

Are co-housing designs being considered? (Answered by Grace Kim, Principal, Schemata Workshop)

I think there's two different cohousing models. One is the traditional model where a group of residents develop a shared, intentional community where households own their homes —of which there are several examples of on Whidbey. I think the model we're thinking about for this discussion is a co-living or shared housing sort of model. There might be individuals living in separate units—whether smaller studio apartments or even bedroom options, with shared communal spaces. This is not cohousing, but

more of a co-living model. Cohousing usually takes a lot of time to develop and wouldn't necessarily serve the lower income workforce.

Will a mix of rentals and home ownership opportunities be considered?

Jake: One of the challenges with home ownership are down payments, especially for those folks at low-to-middle income levels. That's why we're concentrating on rentals at the front-end, to be able to deliver housing in the most timely and accessible way. In the longer term, you want to look at making ownership more affordable, and much of that is driven by financing tools and land availability.

Are overpasses for pedestrians and moderate-speed roundabouts being considered to assist with accessibility and traffic issues? Is there bicycle and pedestrian infrastructure being planned?

Dave: We're actually working closely with the Washington State Department of Transportation (WSDOT) and Island County planners to make sure our plans will align with their plans for bike and pedestrian network on South Whidbey. We're also working with Island Transit.

Our goal is for this to be a walkable community, but unfortunately people do need to walk across a state highway to get to many retail amenities. A pedestrian bridge is \$5-\$10 million and you need to prove that enough pedestrian traffic exists for it to be paid for.

How will the development of more housing affect the sustainability of the water supply, especially pertaining to the possibility of water intrusion into the aquifer?

Dave: There is no issue with water capacity for this project. And in the long term, we're looking to water re-use and returning it back clean into the groundwater to recharge the aquifer.

Who will own the housing development and how will it be managed once it's built? Will rents be kept low in perpetuity?

Jake: Those are key questions, but ones we just can't answer yet. It will depend on the development team that is put together, the target affordability level, the financing, and any covenants put into place.

Grace: There are definitely ways to keep rents affordable in perpetuity, and that would be a stated goal put forth in selecting the development team.

How does financing work for housing at the mid-level workforce income?

Is there a projected cost yet? What are potential models of financing?

How are developers found and will any developers be interested in this project?

Jake: This is a unique opportunity, especially in terms of multi-family units that are rentals. There are a couple of developers out there who enjoy mission-focused, passion projects and seek them out.

Let's say a project costs \$10 million. You're going to finance as much of that as you can with construction debt, usually about 65-70% of the loan cost. That leaves you with a \$3-4 million shortfall in equity, and this is where we look at the model of social impact equity. Individuals and companies can come together as a community and invest impact equity at a lower rate of return—2-3% or even lower. This is the next phase we'll explore with Goosefoot; looking at different scenarios of how this can be financed. Remember that here we're talking about middle-income housing, those household incomes of \$41,600—\$82,325.

How can we make this an attractive investment and development opportunity? There are a lot of tools we're going to look at to bring to the table and there's some creative ways to proceed. Ultimately, it's going to come down to how we can best structure it to make the project attractive to a developer and make it feasible, because it also needs to pass the test in terms of future demand and long-term viability.

Chris Salomone (Goosefoot board member): One important point is that this site hasn't even been marketed yet, because the owners are either non-profit organizations, local government, and—most importantly—private owners who are very community minded.

But this is very desirable real estate for a project like this, especially with all of the retail, service, and community resources and public transportation already developed. But it hasn't yet been offered to Puget Sound region developers. We're doing the work and answering the necessary questions before we seek out private equity and developers.

How big will the rental units be? Will they be for families? Single people?

Jake: Our housing needs survey has indicated the strongest demand for one and two bedroom apartments. But there's also desire for studios and larger family units. 65% of respondents do live alone, but are open to having roommates.

More than likely, we'll be looking to see how we can accommodate those at lower income levels, whether it's studios, shared apartments, or co-living set-ups. We build units for student housing where there's four bedrooms—two bedrooms and a bathroom on either side of a common living room and cooking area. People rent the bedrooms, which can be a workable way for some to be comfortable and affordably housed.

Questions that were not answered in the May 4 meeting due to time constraints:

Are composting toilets being considered as an alternative to septic?

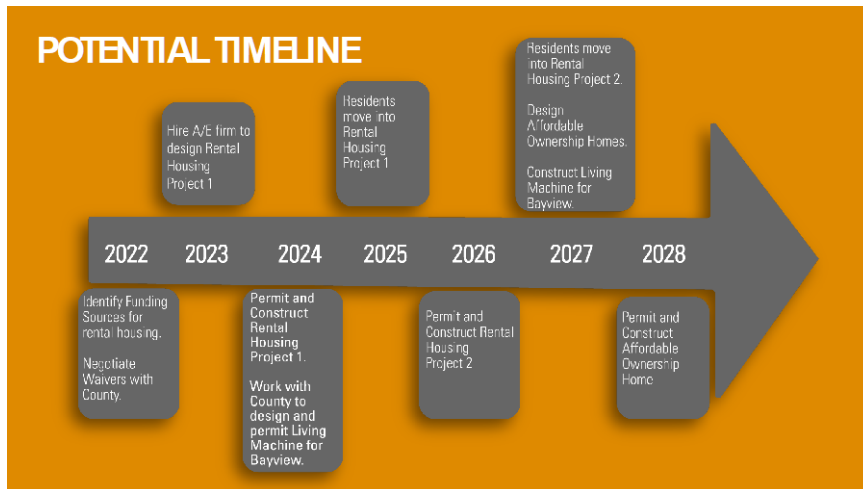
Grace: No, that is a technology that could work for a home ownership model if there was market interest/demand, but training/maintenance for such would not be appropriate for a renter population that might turnover every 2-3 years.

Are non-profits and local businesses that need housing for employees being brought into the conversation?

As we get closer to confirming the feasibility of a housing development, more local businesses and non-profits will increasingly be brought into the conversation. Currently, three major employers—Island County, Whidbey Health, and Whidbey Telecom—have been part of the discussions from the beginning, as has Island Senior Resources. As we get closer to answering important infrastructure questions, we will reach out to smaller businesses and other non-profits.

What is the projected timeline for the project?

A potential timeline is available [here](#).



Grace: This is a very aggressive timeline presuming that property owners are willing to contribute property to the development and significant private donations are made to finance architecture, engineering, and permits as well as offset construction. If we are to rely on conventional public financing for low to moderate income housing then we might add 3-5 years to the timeline. If the community wants to see something happen more quickly, then we will need to consider creative solutions which will also require generous individuals to step forward.

Will Island County be able to give the support necessary to achieve your goals? Will they need to participate in filing for grant money?

Representatives from Island County Planning and Transportation have been part of these discussions from the beginning and are committed to doing what they can to support the project—from the perspectives of planning/permitting, being a land owner in the RAID, and also a major employer. But the County is not a housing authority/developer, and thus would not be applying for public funding to build the affordable housing.

Is Goosefoot looking at interim, quicker ways of providing housing for workers? Perhaps getting investors' to buy a house and rent it to families or individuals?

This is just the type of necessary, creative thinking that a community can participate in together to problem solve. While Goosefoot can't play this role, perhaps there are other entities or individual volunteers to take this on.

Is your focus on middle income and/or low-income workers?

This is where things get complicated—and frustrating. The financing and development mechanisms are completely separate for these two groups of wage earners. To not be considered housing cost burdened, the standard is to pay no more than 30% of ones' household income for rent or a mortgage.

Those earning \$20,800-\$41,600 annually or \$10—\$20 hourly are considered low-income wage earners. Paying 30% of one's income for rent at these wage levels would require subsidies from the state and local government to make it affordable. While Washington has generous and abundant resources, there are always more projects than money available. The timeline to develop housing with public subsidies will be much longer. This would need to be a longer-term strategy.

Middle-Income or Workforce* housing is for a household income of \$41,600--\$82,325 annually or \$20-\$42 an hour. These housing units are built using private developers and financing. No state or federal funding is available for these projects. Sometimes, community members and employers invest in these projects at low-interest. This is the model that's being considered for Bayview as the first step.

*We recognize that "Workforce" is a confusing word in this context, as workers at all pay levels are part of the workforce.

How does this compare to the Freeland multi-family housing facility?

Are there set asides for Vets or HUD/VA vouchers?

Sunny View Village in Freeland is a subsidized, low-income housing development. This is where housing vouchers are available to renters. Our first project at Bayview will be geared to middle-income workers, which while still quite challenging to develop, can be accomplished sooner.

How will seniors' needs fit into this workforce housing picture?

People of any age will be eligible to rent units, but the development will not be geared towards seniors per se. There will be ground level units with accessibility features for anyone with a physical disability or impairment. And we will be working with Island Transit and the State and County departments of transportation to make public transportation as accessible as possible.

Will there be a capital campaign to support this project?

There could be a variety of ways for individuals and businesses in our community to support and invest in this project. If you are interested in assisting with this, please sign up to be a focus group member!

What can I do to help?

If you know anyone who needs housing—at any income level—please send them to our housing needs survey at: https://www.surveymonkey.com/r/bayview_housing

Sign up to be on a focus group here:

https://www.surveymonkey.com/r/focus_group_housing

Are there any opportunities for land trust housing for affordable ownership? I have seen that work well in other communities.

All options are on the table and should be considered as a long-term solution to meeting the demand for affordable housing. We have been in contact with San Juan Island Community Home Trust re: their housing model and Living Machine.