

Answers from County Executive Candidate: Tony Larson

Here are our questions:

A. The United Way's ALICE report indicates that 42% of the population in Whatcom County struggles with housing. Habitat for Humanity reports that 1 in 7 in Washington State pay more than 50% of their income for housing.

a. Would you characterize our current housing situation as a crisis? **We are clearly in a housing crisis. Across the entire spectrum of housing prices throughout the county. Low and medium-income housing particularly, but also worker housing and affordable housing based on median wages. We are also experiencing much slower wage growth than desired, which exacerbates the problem.**

b. What do you see as the major contributing factors? **There are many contributing factors, but a primary factor is lack of housing supply. Demand continues to grow as people move to Whatcom County and we have been unable to put necessary supply online. We are currently at about .75% vacancy rate in Whatcom County. To stabilize housing prices, we need to target vacancy rates between 4-6%. That will require a county-wide, coordinated housing strategy that will focus on getting units online in every price range.**

c. What will your policy priorities in mitigating these contributing factors? **Whatcom County policies are set by the County Council. However, leadership must come from the County Executive. I would focus my attention on the broader housing supply issue. I will bring together the mayors from all seven cities and the economic development director from the Port of Bellingham to discuss and develop a comprehensive county-wide housing crisis supply strategy. It would include focus on the build out of infrastructure, the aggressive but appropriate extension of urban growth areas, annexation where appropriate, incentivizing and expediting the permit process, especially for low and medium income projects, and re-evaluating housing targets for each city and unincorporated Whatcom County. I'd also listen to non-profit and middle income housing producers to learn how we can better support their efforts and make sure all these efforts are being done in coordination and cooperation with all seven cities and stakeholders.**

d. What role do you envision for non-profit, low and middle income housing producers? **This role is a very important one. Because of the current lack of permitted buildable lots for housing and a slow and challenging permit process, there is significant pent up demand for housing units in every price range. If left exclusively to market forces, very few, if any low income housing will be built in the current market environment. With median Whatcom County wage rates already behind the median priced homes, Whatcom citizens are getting further behind. I will work comprehensively on the overall housing supply problem but will rely extensively on non-profit and low and middle income housing producers to support that existing and growing need in our community.**

e. What role will your administration play in supporting housing producers?

It will start with supporting what you are already doing. Bringing attention to successful collaborative projects like your Telegraph Townhouse project. Work on incentivizing and expediting the permit process, perhaps help identify sources for low cost capital and bring positive attention to these projects. Lift up and recognize the existing volunteers and business partners as an example for others to follow. It is extraordinarily powerful to bring attention to projects and people in the community who are doing good things. Others want to do the same but sometimes need the inspiration to get involved.

f. What resources will your administration provide?

Whatcom County is currently spending approximately \$5 million per year on social supported housing. That includes rental assistance, hotel assistance and a number of programs. As County Executive, a primary role of mine will be to bring shareholders together to discuss the data and how our resources can best be directed to projects that provide maximum positive impact. There are some clear financial challenges on the horizon that if not addressed will put significant pressure on all Whatcom County discretionary funding. In the past five years alone, the portion of county wages and benefits as a percentage of the general fund budget has grown from 65% to 69%. If not addressed, that trend will continue. It has been less noticed over the past few years because of increasing tax receipts to the county as a result of new construction, higher property values and increased sales tax receipts. In the event of an economic downturn, this trend will significantly crowd out additional discretionary spending and have serious consequences on valuable county programs, including housing programs. As County Executive, I will propose a proven solution to reverse that trend and save the county millions of dollars annually without laying off employees or reducing their benefits. This plan has been implemented in the private sector and proven successful, even by organizations with unionized employees.

B. Habitat for Humanity and Kulshan Community Land Trust have identified many Puzzle Pieces to solving what they characterize as a housing crisis and allowing for a housing continuum. Please comment on how your administration will support, help make more effective or avoid the following:

How would your administration un-complicate and or reduce cost in the permit process AND, choose one or two below where you have knowledge and/or passion:

Unfortunately, Whatcom County has become a very expensive, lengthy and difficult place to get building projects off the ground. It doesn't matter if it's a commercial project, housing project or a homeowner interested in adding on to their garage. We've made it much too costly and unpredictable. As County Executive, I'll address this issue seriously. We need to create a predictable pathway to success for all permits that are applied for. This is not only impacting our housing supply, it is harming our economic development efforts and is indirectly slowing our wage growth rates. There are many examples of counties in Washington State who operate under the same guidelines of the Growth Management Act, that are doing much better in this area. We can do better as well.

- a. Access to low cost capital
- b. Appropriate Green Technology
- c. Permanent Affordability
- d. Housing Continuum

Regarding Green Technology: People in Whatcom County share a concern about Climate Change and want to make a difference. I understand and agree. However, we need to be very careful about implementing policies that will have a much larger negative impact on our citizens than any measurable positive impact. For example, considerations to require conversion from gas to electric on existing homes in Bellingham at time of sale will add thousands of dollars of expense and squeeze more and more people out of home affordability. It would also likely increase rents and have the effect of creating more urban sprawl as people moved into the county to chase lower home prices. I would not support these ideas and instead would remind our citizens that we need to be actively part of the energy transition. I do support for example the Clean Energy Transformation Act that was passed in May of 2019. It applies to everyone in the state, not just Bellingham or Whatcom County. It will require PSE to eliminate all coal by 2025, become carbon neutral by 2035 and eliminate everything but renewables in its portfolio by 2045. This will likely have the effect of increasing energy prices, but it will be evenly applied to everyone and we'll have time to adapt.