CITY OF BELLEVUE
AFFORDABLE HOUSING
TECHNICAL ADVISORY GROUP
MEETING MINUTES

March 22, 2017	Bellevue City Hall
1:00 p.m.	Room 1E-109

MEMBERS PRESENT:	Kim Loveall Price, Hal Ferris, Tim Walter (by phone), Michael Orbino, James McEachran, Dwight Schrag, Eric Campbell, Andrea Sato
MEMBERS ABSENT:	David Hoffman, Rich Wagner, Jan Laskey, George Petrie, Katherine Jordan, Sean Martin, Sibyl Glasby
STAFF PRESENT:	Mike Kattermann, Janet Lewine, Deborah Munkberg, Department of Planning and Community Development; Emily Leslie, Department of Parks and Community Services; Arthur Sullivan, ARCH; Kate MacFarlane, EcoNorthwest; Chuck DePew, National Development Council
RECORDING SECRETARY:	Gerry Lindsay

1. CALL TO ORDER, APPROVAL OF AGENDA, APPROVAL OF MINUTES

Mr. Kattermann called the meeting to order at 1:06 p.m.

Mr. Kattermann said a meeting was held recently with Mr. Ferris, Ms. Loveall Price, Ms. Glasby, Mr. Wagner and Mr. Walter, along with Mr. Sullivan, Ms. Lewine and himself from staff. The focus of the meeting was to go over the numbers. The work done by the subcommittee informed the discussion matrix, particularly the advantages and disadvantages columns. The information will be going to the Council on March 27, along with an updated version of the matrix based on feedback from the full TAG.

2. PUBLIC WORKSHOP

With regard to the two-hour public workshop on March 21, Mr. Kattermann said the attendees were given a brief introduction and then broke up into three different discussion groups. Strategies A and B were paired for discussion purposes, as were Strategies C and D. Strategy E stood on its own. The folks were allowed to choose their group and to rotate at their option in order to cover all three discussions. There were between 60 and 65 people in attendance representing a good mix of perspectives. In terms of funding, comments were made about sharing among all players, levy fatigue, seeking different sources of funding, and focusing particularly on different areas of need.

Mr. McEachran said he heard words like “action,” “mandate,” “up the game,” “leadership,” “set the plate,” and “develop services” in the discussions he attended. He said at times it felt like a commission briefing, and there were strong opinions expressed by some. The format worked well overall and the facilitators were generally good.

Ms. Lewine said the discussion of Strategy C focused on upzoning public land and faith-based group’s lands. Several of the participants were familiar with projects done in Bellevue in partnership with churches and supported the strategy. There were some neighborhood representatives who were concerned about not knowing where possible upzones might occur. There were concerns voiced about density and affordable housing in the neighborhoods. With regard to Strategy D, there were mixed responses between the mandatory and voluntary options. Surprisingly, a number of people voiced objections to the fee in-lieu concept; most felt the fees would not be enough to make affordable housing work, and that the units would end up developed somewhere else.

Ms. Munkberg said the discussion of Strategies A and B included asking the participants how they would want to see the dollars for affordable housing divided. Roughly half indicated they would support partnering with non-profit organizations to purchase existing affordable multifamily housing. Others expressed interest in developing incentives to encourage neighborhoods to support affordable housing, particularly in the form of accessory dwelling units. Other responses focused on providing increased assistance for down payments, utilities, tax relief, home repair and weatherization. There were many who were comfortable with the notion of accessory dwelling units, and many who were not.

Mr. Kattermann said he did not hear in any of the discussions pushback on the need for affordable housing.

3. INPUT TO COUNCIL

Mr. Ferris said it was his anticipation after the subcommittee meeting in which there was a deep dive into the numbers that there would be an opportunity to focus specifically on current sources of revenue, and incentives and how they are applied to affordable housing. That discussion would put into context the list from which to choose and the level of affordability to be achieved. He said it has been his experience that incentives can touch the 60 to 80 percent of area median income, but subsidy dollars are needed to get below that mark. Mr. Kattermann called attention to the fifth page of the matrix where the grand totals for up to 60 percent and up to 80 percent were shown. He stressed that the TAG target for under 50 percent was not achieved with the amount of funding talked about. One question for the TAG to consider is whether or not the targets should be changed given all the analysis.

Mr. Walter said education will play a big role going forward, particularly in presenting the findings to the Council. If the TAG wants to see units at 50 to 60 percent versus 80 percent, it will be necessary to be clear about why the numbers swing so widely. Mr. Kattermann said staff would be briefing the Council to help them make informed decisions.

Mr. Campbell said a preamble between the charts and tables should not be difficult to pull together. Mr. Ferris agreed and added that it would be relatively easy to calculate the difference on a per-unit basis. Mr. Kattermann said it will come across in the report that there is only so much that can be leveraged. After a certain point, it is pretty much all on the city's dime.

Mr. Ferris said what the Council will need to make an informed decision is background information relative to available resources and what they are achieving in terms of affordability and production, which is all that can be done without doing something else. There is a point where even if the city were to maximize its own resources to match with what can be leveraged, additional revenues and rezoning actions will be needed. Beyond the point where there are no more tax credits, no more nine percent funds, no more four percent funds, and no more trust fund dollars, everything will be on the city's dime.

Mr. Campbell said the decision makers will need to know what tools are available to them. What decisions are made will be up to the City Council. Mr. Kattermann said the tools are expressed in the matrix. He added that the report that is still being worked on will provide the context for the various approaches. If there are details not included in the matrix that the Council will need in making decisions, the details should be highlighted and added.

Mr. Campbell said he saw no advantages or disadvantages that needed to be articulated beyond those already included for Strategy A.

Ms. Sato suggested the third advantage bullet under A.1 should be revised to read "preserves long-term affordability" rather than "in perpetuity" to avoid confusion. Mr. Kattermann pointed out the issue had been raised by Mr. Walter and referred to acquisition by either the King County Housing Authority or a non-profit. Ms. Sato agreed but pointed out that occasionally non-profits choose to sell. The question is whether or not the approach will be a regulatory restriction the city will place as a condition of awarding funds, as opposed to a mission-driven choice the owner will make to hold units in perpetuity.

Ms. Loveall Price asked why the funding sources required column was not subtotaled. She suggested that would help identify the low- and high-end bookends and make the cover sheet easy to draft. Mr. Kattermann said staff would work on how to do that.

Mr. Campbell asked why the total from A.1 was not included in the subtotal at the bottom of the page. Mr. Kattermann said it was because the units are counted elsewhere. Mr. Sullivan explained that Mr. Walter pointed out that the 500 to 1000 units would be in the 50 to 80 percent of area median income range, but since they involve direct assistance, the units should be targeted at 50 percent and less. Some of the preservation units may need to be split between the low and moderate columns. He said staff thought about the issue of where funding should land relative to E.1 and E.2 based on all of the other strategies so that the grand total would reflect the desired balance. No attempt was made, however, to then cycle back and look at the tools that were not counting toward the ground total. In E.1 and E.2 are reflected the kinds of affordability that can be created with assistance. He said the question is where preservation units that are on the city's dime should land, on the lower end or the more moderate end, given what the overall totals will be once all the strategies are added up. Because of where the numbers were landing in calculating the totals, some of the units were pushed toward the low-end box given that preservation offers a good opportunity to get to the lower level.

Mr. Ferris stressed that in the final analysis, the columns and the funding need to be aligned.

Mr. Kattermann said when the report is carried to the Council on April 10, several TAG members should be present to help make the presentation.

Mr. Orbino said he continued to hold the view that there is an under-sampled and unrecognized group of affordable homes that are not captured in any of the strategies, and that is individual homeowners who have a very low cost basis in carrying their homes and who are essentially subsidizing rents for their tenants for various reasons. Some homes that have risen quickly in value from $200,000 to over $600,000 are still only receiving $1500 per month rents. What is missing is any clear understanding of how many such units there are. If appropriate, those individuals should be subsidized. Mr. Kattermann said that element could be mentioned in the report, but he stressed that there is no good data in hand. He also said he was not sure what actions the city could or should take to preserve those assets.

Mr. Campbell said the best way to preserve currently affordable housing is to avoid raising property taxes. Every time property taxes and other mechanisms are raised, housing affordability is decreased. Mr. Schrag said one tool would be to expand the multifamily tax exemption to small property owners, maybe even single family property owners who are renting at affordable rates as well.

Mr. Sullivan noted that the property tax exemptions require the signing of covenants. The fact is the tool cannot be deemed realistic for single family. The county's loan repair programs for multifamily have been used infrequently, and the reason is they must sign a covenant to opt in.

Referencing A.3, Ms. Sato suggested the disadvantages column should include a bullet indicating the action does not create or preserve affordable units. She also suggested adding a bullet to the disadvantages column under A.1 that the additional requirements will add cost to the units.

Mr. McEachran noted that A.6 is one area of focus for the Human Services Commission. Increased funding for human services could bolster the action. The Commission allocates city dollars to programs that support seniors retiring in place, transportation services, chore services and the like.

Turning to Strategy B, Mr. Ferris suggested revising the language of B.1 to read "Reduce barriers to micro apartments around light rail stations…." Parking is an issue, as is minimum square footage per unit. In Seattle there have been issues that have had to do with congregate housing in which people rent a single bedroom and share a common kitchen. In those cases, a unit with six to eight bedrooms could be called a single unit, and in zones that limit the number of units, the result was projects that are out of scale. Additionally, because the mezzanine level is not counted, structures can be six or seven stories high in neighborhoods that have buildings only three or four stories in height. Micro units should be encouraged given that there is a market for them. Mr. Kattermann allowed that the micro unit option is one choice not currently offered in Bellevue, even though they are allowed.

Mr. Campbell said his concern with B.2 is that in reality, the neighborhoods where accessory dwelling units have been put in are some of the nicest up and down the West Coast. They do provide more affordable housing than similar-sized units in apartment projects. The argument against them is that the neighborhoods in which they are allowed will become overcrowded, but there is simply no evidence for that whatsoever. If the accessory dwelling units are not allowed, the result will be megahouses in those same neighborhoods. Accessory dwelling units have the advantage of being the antidote to megahouses and will actually serve to preserve existing neighborhood character. Mr. Sullivan concurred. He pointed out that no community that has allowed accessory dwelling units has chosen to reverse course. That fact could be reflected in the advantage column.

Mr. Sullivan said the argument was made at the workshop that once accessory dwelling units are allowed, home prices will be forced upward because of the potential for a second unit on every property. He suggested the argument, however, does not follow through given the various restrictions.

Answering a question asked by Ms. Soto, Mr. Kattermann said the 100 to 200 unit estimate for B.1 was based on where transit-oriented development might make sense and the amount of development that is expected in those areas, and making assumptions about how many of the total units might be affordable. Mr. Sullivan added that the number was not shown higher because there are not currently other market-rate units that are landing under 80 percent area median income. There are micro units being built in Redmond and Kirkland that are below 80 percent.

Ms. Soto pointed out there is no guarantee micro units will be affordable. Mr. Ferris said the city could tie some percentage of the units to affordability in exchange for a reduction in parking or something. To the extent the city makes land use changes, which are permanent, there can be an affordability link.

It was agreed to add a note about incentives for affordability tied to reduced parking requirements, and a note clarifying that otherwise for market-rate rents there is no requirement for affordability.

Mr. Kattermann agreed to add under B.4 the statement that a mortgage is the best form of rent control.

With regard to Strategy C, Mr. Kattermann noted that the TAG had previously identified C.1 and C.2 as bold actions.

Mr. Campbell allowed that while C.3 is not necessarily a bold action, it involves very little money on the part of the city. The city is seeing huge increases in property tax revenues from new and redevelopment and could elect to use tax exemption to create more affordable housing.

Mr. Ferris agreed that C.3 is not bold in terms of being a new idea, but it represents an easy fix and low-hanging fruit. The program has already been accepted, it just needs to be tweaked so people will actually use it.

Mr. Orbino pointed out that bold can mean something different to different people. He said what has been referenced as low-hanging fruit could also be thought of as no-brainer activities. He proposed highlighting the no-brainers for the policymakers.

Mr. Ferris suggested that C.1, C.2 and C.3 are all relatively easy on a case-by-case basis depending on where the properties are located relative to other zones.

Mr. Campbell said to really get things done, blanket upzones of faith-based sites should be implemented. There would need to be some caveats of course, but the approach would certainly be bold. To simply encourage upzoning the properties in association with individual Comprehensive Plan amendments would take forever. Mr. Kattermann said the point is well taken and could be listed as one way to go just to see how far the Council would want to take it. There are different ways it could be done. Staff has already done some filtering to come up with the numbers in the matrix. Some criteria could be put in place for the Council to buy off on before moving forward with a single Comprehensive Plan amendment for all of the sites.

Mr. Ferris agreed that such an upzone should be by single action to the degree possible.

With regard to C.4, Mr. Ferris commented that reducing costs is a grind-it-out technical matter. He suggested, however, that how much the action will produce in terms of affordability is anyone's guess. Many will say that the way to make housing affordable is to get rid of all the regulations, but there is no reality to that. C.4 at least proposes looking at what can be done. The action is not bold and it is not quick, but the city may want to set up a small group to dive into code requirements as a follow-up.

Mr. Schrag said C.4 also includes non-code issues, like off-site capital improvements. Where such improvements can be funded through the city's CIP or other mechanisms, development costs can be reduced. Ms. MacFarlane noted that C.4 is specifically focused on reducing costs for affordable projects. There is a separate action Strategy D about reducing costs in general.

Mr. Ferris commented that lower fees and reduced costs can be differentiated for affordable projects, but when it comes to things like code requirements, building officials will say they cannot differentiate them for affordability or non-affordability.

Mr. Ferris referred to C.5 and suggested the word "mandatory" will draw attention and debate. Getting the idea out there and letting the Councilmembers identify the pros and cons will be good, however. Ms. MacFarlane said it will also be necessary to make sure the public understands any mandatory approach would be accompanied by upzones. The recommendations will not necessarily play out in all neighborhoods. Mr. Kattermann added that in fact the incentives are tougher in Eastgate and the downtown.

BREAK

4. INPUT TO COUNCIL (Continued)

Turning to Strategy D, Mr. Kattermann stated that no unit numbers were shown in the matrix because it is assumed all of the units in question will be market rate.

Mr. Ferris noted that the reduction of parking referred to in D.1 might come with an affordability requirement. Mr. Kattermann said as it relates to micro units, it would probably belong in C.4. Ms. MacFarlane suggested D.1 is about generally right-sizing parking, lowering the requirement where it is too high. Mr. Ferris suggested using the term “right-sizing parking requirements” in D.1.

Mr. Ferris noted that while parking is a big driver, in the neighborhood commercial zones the retail requirement is also a driver. He said typically there is no demand for the retail that is sufficient to cover its own costs. Projects that include an affordable housing component could possibly be granted a reduction in the amount of retail required. Additionally, instead of retail, street activation could flow from having community rooms or fitness centers. Mr. Kattermann said alternatives to providing retail in mixed use developments would go under either C.4 or D.1.

Mr. Ferris commented that D.3 represents a big move for areas not based on FAR. Mr. Kattermann allowed that the city is generally moving in the direction of calculating density on the basis of FAR. He said D.3 should not really provide much of a lift. Mr. Ferris pointed out that bulk and scale can generally be controlled through setbacks and building heights. The actual buildings do not need to be more intrusive in order to accommodate more units. D.3 will serve to provide for more flexibility within the same envelope, and the action could be considered low-hanging fruit.

Mr. Ferris pointed out that D.1 is the action the supply siders will jump on with their call to get rid of regulations as the best way to increase supply and create affordability. That is easy to say, however, and much harder to actually do. It is simply not possible to wipe away requirements like storm water infrastructure or life/safety requirements. Ms. MacFarlane proposed adding to the D.1 disadvantages column “May require tradeoffs between different city goals and objectives.” Mr. Ferris suggested including three or four specific examples, such as storm water requirements and landscaping.

Mr. Orbino questioned the stated disadvantage for D.2. He asked why the presumption is made that the action would not create affordable units if it were more affordable to build condominiums. Mr. Kattermann agreed units could be naturally more affordable, but it unlikely they would be under 80 percent of area median income. Mr. Orbino commented that in the current market condominiums have been concentrated in downtown areas and they are generally a luxury product. No one is bringing online what used to be called woody walk-ups anymore, a product that tends to depreciate and become affordable over time. The problem is the state-level controls, even though the issue really only affect urban areas.

Mr. Sullivan said what he heard Mr. Orbino saying was that D.2 would allow for a broader range of affordability within the new condominium market, which currently trends toward the higher end of things. Mr. Kattermann agreed to add to the advantages column "Would allow for a broader range of affordability not currently available in the market."

Ms. MacFarlane also suggested adding qualifier language to the disadvantage statements under both D.1 and D.2 to the effect that the actions do not directly preserve or create affordable units, or does not preserve or create designated affordable units or income-restricted units. Mr. Kattermann said he understood the point but did not believe the qualifiers were needed since both statements include the word "may."

Mr. Schrag commented that the Strategy D actions are not high priority for creating affordable housing. The actions will not directly generate affordable units, and should the Council spend too much time addressing them, it would detract from making progress. Mr. Kattermann agreed but said he would not want to see the importance of the actions lost sight of in the overall strategy. Additional housing needs to be generated as well as affordable housing.

Turning to Strategy E, Mr. Ferris called attention to the estimated city cost under E.1 and asked if the $27 million to $45 million is what the city's portion alone would be. Mr. Sullivan said the figure also represents procuring discounted land and other non-cash contributions that are locally generated. He agreed the note could be qualified to stress that the numbers are intended to show how much value needs to be created. The donation of city land for a project represents a contribution value.

Mr. Ferris said if he were on the Council he would want to know how much the total would be over ten years, given the current contribution level plus some escalation. The annual contributions, city and other, would be one number. The contribution of land should be shown as a separate number, particularly given that there is no much city land left to contribute. Mr. Sullivan said the assumption about the reduced land costs simply means the city has to contribute less cash. For years the parity program aimed at getting cities to be creative has set a goal and allowed it to be met either through cash or equal value contributions, such as fee waivers and land donations. The listed $27 million to $45 million translates into between $2.7 million and $4.5 million per year. The city's general fund contribution is between $400,000 and $500,000 per year, and through fees in-lieu and loan repayments, several million dollars more has been generated over the last few years. Even so, on average the city contributes less than one million annually.

Mr. Schrag suggested the assumptions should somehow be shown on the Strategy E page. Mr. Sullivan said a second page will be used to outline how the city might fill the $27 million to $45 million bucket beyond general fund contributions.

Mr. Ferris said he would prefer to see the number represent current practices, which could include loan repayment funds, general funds and fee waivers. That way the Council would be able to clearly see how much more territory needs to be covered to accomplish the goal. Mr. Sullivan reiterated that the city's contribution currently totals less than a million dollars per year, including loan repayment funds. The general fund and CDBG new dollars account for about $500,000 per year, which has been the case since 1992. He agreed it would be good to compare current experience against the projected goal of creating 600 to 1000 new units over a ten-year period. The $27 million to $45 million in local contributions is what it will take to get to the edge of the cliff, including fully leveraging everything. The next line is the city paying the full freight because all leveraging options have been exhausted.

Mr. Schrag suggested that the donation of land to help address the overall contribution need should be shown in the advantages column.

Answering a question asked by Mr. Ferris, Mr. Sullivan said current production using current practices is on the order of 30 to 40 units per year. Mr. Ferris noted that over a ten-year period that would yield as many as 400 units for a contribution of about $10 million. To get to the goal of 1000 units will require more than doubling the current contribution. Mr. Kattermann said as it plays out, $17 million more will be needed to get an additional 200 units over the current level of production, and another $35 million to get an additional 600 units over the current level of production.

Ms. Sato said the problem is that by just reading the action item, it is not at all clear exactly what action the city will need to take. Ms. MacFarlane agreed and said the action will be an increased contribution from the city in order to reach the goal. Mr. Ferris concurred as well and said the ways the city can increase its contribution include a property tax levy, REET funds and other legislative actions. Upzoning essentially creates land at a lower cost.

Mr. Sullivan said the matrix as drafted attempts to use the same format for each of the strategies. However, Strategy E is all about the money and could be improved by having a separate page that walks through the specifics.

Mr. Schrag suggested Strategy E is not in fact a strategy, it is rather a means to an end. All of the other strategies focus on how to increase the number of units, and Strategy E is about organizing the resources to get there.

Ms. Sato pointed out that while Strategy E is focused on the dollars, it will still come down to actions to be taken by the Council. Mr. Kattermann concurred and allowed that to some degree there is a mixing of apples and oranges. Strategy E is both implementation and a strategy in that most of the other actions cannot be done absent some funding source for them. The difficulty lies in the fact that the additional resources of E.2 may need to be tapped to pay for E.1. E.2 simply outlines having the city pay the full cost without any leveraging.

Mr. Schrag suggested the disadvantage statement for E.1 should be clarified. Mr. Sullivan explained that the point is that tripling or quadrupling the city's contribution will not triple or quadruple unit production because the other sources that can be tapped are finite. He agreed the statement could be edited to make that clear.

Mr. Ferris called for showing above the call for increasing current city funding a statement indicating the current production level over ten years and the cost to make the needed increase more clear. Mr. Sullivan said he was comfortable adding a line indicating what the city is doing but said he would be nervous about saying adding X dollars more will yield Y more units. Up to the leveraging, it will all blend together. Mr. Ferris said the next box down should say additional funding required to maximize leveraging of other resources. The next step after that, which is E.2, is where the city is on its own, and at that level the cost per unit will be much higher.

Ms. Loveall Price said it has been clear for some time that the city will need $300 million to $400 million more from unidentified sources over the next ten years. Strategy E does nothing to identify those sources. The page should outline what has been identified by current public resources, and what has not been identified by those resources. It should be clear that the current contribution is yielding 40 units per year and what it will take to yield 400 units.

Mr. Ferris allowed that it is not all about new revenues. On an average basis, there is some contribution from either discounted land or contributed land. The matrix could show that the rezones for properties owned by the city or non-profits are also contributions. Mr. Sullivan said the backup page does just that by indicating that non-profit land would be discounted 100 percent and city owned land would be 50 percent discounted. It does not show up as a dollar amount, but it is accounted for. Mr. Ferris said the rezoning could in fact be converted to dollars in terms of value created.

Mr. Kattermann pointed out that the discounted value of the land is accounted for in the matrix in the estimated city cost column. If the value of the land were to be shown, the estimated city cost number would have to increase because it would be necessary to pay for the land to fill the gap.

Mr. Walter said where the King County Housing Authority has attempted to look at surplus or other land that carried no cost, the lots have turned out to be odd-shaped and have topography or other issues that result in increased construction and architecture costs. Free land is not always free.

Ms. Loveall Price highlighted the need to include a direct support action item. Mr. Kattermann said that could be done and inserted between E.1 and E.2.

Mr. Schrag commented that the goal for E.1 is between 600 and 1000 units. A financial requirement will be needed to create that many units. The action should list existing resources needed to get to the $27 million and $45 million levels. After that there will be a gap, and suggestions should be made for how to fill it.

Ms. Sato reiterated that E.1 cannot be achieved without doing some of the things identified in E.2.

Mr. Ferris proposed including in a footnote the property tax levy rates for the two Washington cities that have such a levy. Information around what an increase in the REET could yield should also be included in a footnote.

Mr. Kattermann noted that the question was asked at the last TAG meeting about whether or not the city had any additional capacity in its current REET. He said in fact there is none. The city does still have capacity in its property tax rate and in the B&O tax. He agreed that information could be included in a footnote as well.

Mr. Orbino asked why projections are always put into ten-year increments when the city operates on a biennial budget. The numbers, while large, are not overly significant when broken down by budget cycle, particularly as a percentage of the city's total budget. The economic picture is currently rosy, and during the good times the increased funds should be allocated in part to funding affordable housing, because the cycle will turn downward again at some point.

Given that statement, Ms. Sato asked if in fact the city could afford to increase its contribution well above the current levels. Mr. Sullivan said the bottom line is it will take more money from whatever sources to reach the goals that are outlined. Some cities have earmarked as a dedicated source a percentage of their sales tax, a revenue source that ebbs and flows over time. Mr. Orbino added that the fact is the city can afford what has been outlined. The task of the TAG is not to tell the Council where to find the money, rather it is simply to tell the Council how much money is needed to solve the problem.

Ms. Leslie said one possible source of funding is the veterans and human services levy that will be on the ballot again in November. The County Council is just getting ready to decide what will be in the levy, but it will be expanded and affordable housing was one of the issues highlighted. Mr. Kattermann said the matrix specifically lists King County funding because it is known the levy is in the works. What is not known is what the levy might generate for affordable housing and how much of it Bellevue might get.

Mr. Kattermann said he would work on reworking Strategy E ahead of the next meeting.

5. NEXT STEPS

Mr. Kattermann said the next meeting of the TAG would need to be prior to April 10. The purpose of the meeting will be to review the draft report and approve it.

6. ADJOURN

Mr. Kattermann adjourned the meeting at 3:51 p.m.