



**Community Housing Committee
Special Meeting Minutes
June 2, 2016
6:00 pm**

Present Committee Members: Abramson, Vice Chair Burg, Civian, Lickey, Mansell, Whisney and Chairperson Worden

Absent Committee Members: Chambers, Madarus

CALLED TO ORDER

Chairperson Worden called to order the special meeting of the Community Housing Committee of the City of Healdsburg at **6:07:06 p.m.**

APPROVAL OF AGENDA

The order of the agenda was revised to consider Item 6B, Discuss draft Housing Action Plan (HAP) and findings from White Papers on priority Recommendations 1, 2 and 4 and receive comments on each, before item 6A, receive a presentation from Walter Keiser, EPS and provide feedback on the proposed revisions to the Inclusionary Housing Ordinance.

Committee Member Civian made a motion, seconded by Committee Member Burg, to approve the June 2, 2016 special meeting agenda as revised. The motion carried on a unanimous voice vote. (Ayes 7, Noes 0, Absent – Chambers and Madarus)

APPROVAL OF MINUTES

Committee Member Lickey abstained from voting on the May 3, 2016 special meeting minutes.

Committee Member Burg, seconded by Committee Member Whisney, made a motion to approve the May 3, 2016 special meeting minutes as submitted. The motion carried on a voice vote. (Ayes 6, Noes 0, Absent – Chambers and Madarus, Abstaining – Lickey)

PUBLIC COMMENT

None.

PRIORITY RECOMMENDATION FOUR – SECONDARY DWELLING UNIT

Director Massey updated the Committee on the presentation given to Council in May on the Housing Action Plan and direction received from Council related to the Priority Recommendations.

Director Massey gave an overview of Priority Recommendation Four the recommendation to implement a fee deferral program for deed restricted Secondary Dwelling Units (SDUs). She



summarized the three different fee options the Committee has been exploring (1) Expand existing Fee Deferral Program, (2) Create a fee waiver program and (3) Undertake a fee review. Director Massey introduced Public Works Director Salmi who discussed the fees surrounding secondary dwelling units, and asked the Committee for feedback.

Discussion ensued among the Committee Members and staff about recovering the cost if the fees were reduced or deferred, what the basis for fee reduction is, how prevailing wage correlates with the use of the public dollar, scaling fees to size, and waiving fees for SDUs with a mandatory deed restriction. Discussion further ensued about managing SDUs. Chair Worden provided clarification for the Committee and the public about the three different options.

Chair Worden opened up the discussion on Secondary Dwelling Units to the public.

John Diniakos – Opined on the fee waiver program, and asked if a portion of an existing unit is turned into a granny unit, are the impact fees reduced.

Tim Unger – Opined on the schedule of fees, proportionality and right sizing of the impact fees based on the size of a dwelling unit.

Merrilyn Joyce – Commented on incentivizing SDUs for homeowners, how developers are incentivized in the City and the approach we should have towards developers.

Ken Munson – Commented on right sizing the impact fees based on the size of a dwelling unit, and placing the deed restriction requirement on the developers who build in Healdsburg; not on the private homeowner.

Adele Barnett – Opined on her desire to build a SDU on her lot and the cost of the impact fees affecting her ability to do so.

John Diniakos – Opined that in his research he found other cities have made the requirement if you have the economic means to build an SDU no waiver should be applied, if you don't have the economic means, than a fee waiver should be applied.

Chair Worden closed the public comment portion of the discussion.

Following a brief discussion, Committee Member Civian, Seconded by Committee Member Burg, made a motion to support option one, Expand existing Fee Deferral Program. The motion carried on voice vote with Committee Member Lickey dissenting, and Chambers and Madarus noted as absent. (Ayes 6, Noes – Lickey, Absent – Chambers and Madarus)

In response to Chair Worden's question on a formal vote for option two, create a fee waiver program, the Committee voted unanimously against option two.



In response to Chair Worden's request on a formal vote for option three, Undertake a fee review; as well as combining Priority Recommendation Four with Priority Recommendation Nine, Revise the City's current impact fee schedule to scale with unit size; the Committee voted unanimously to support this request.

PRIORITY RECOMMENDATION ONE

Director Massey introduced Priority Recommendation One to expand the definition of Affordable Housing in the Land Use Code to include Middle Income and Priority Recommendation Two to revise the Inclusionary Housing Ordinance to require 30% Affordable Housing.

Discussion ensued among Committee Members about the utility value of moderate income language in the Inclusionary Housing Ordinance (IHO), how family vs. individual income levels are determined, and how the percentages for each income level very low, low, moderate, and middle, will be broken down in the IHO.

Chair Worden opened up the discussion to public comment.

Jim Winston – Opined that the suggested definition of Affordable Housing for the Land Use Code is inconsistent with the United States Department of Housing and Urban Development (HUD) definition of Affordable Housing.

Merrilyn Joyce – Commented on the IHO percentage increase and how the increase affects the developers.

John Diniakos – Opined on low cost housing, a deed restriction in trade for a fee waiver, and wanted to know if the missing middle was going to be included in rental discussion.

Discussion continued amongst the Committee about expanding beyond HUD's definition of affordable housing, how to amend the definition to make it more clear that is separate from HUD's definition of affordable housing, and how the difference between HUD's definition of affordable Housing vs the Committee's recommendation of affordable housing for the Land Use Code will come out in the details.

Committee Member Abramson, Seconded by Committee Member Whisney, made a motion to support Priority Recommendation One to expand the definition of Affordable Housing in the Land Use Code to include Middle Income. The motion carried on voice vote with Committee Member Mansell dissenting, and Chambers and Madarus noted as absent. (Ayes 6, Noes – Mansell, Absent – Chambers and Madarus)



PRIORITY RECOMMENDATION TWO

Director Massey introduced Walter Kieser from Economic Planning Systems, (EPS) to discuss Priority Recommendation Two to revise the Inclusionary Housing Ordinance to require 30% Affordable Housing.

Mr. Kieser gave a thorough presentation on the recommended changes to the IHO, including the distribution of affordability, In Lieu Fee, small project IHO compliance, alternative compliance and development incentives. Mr. Kieser further discussed how the IHO will apply only to for sale housing, as rental housing is currently preempted from Inclusionary Housing.

Discussion ensued amongst Committee Members about the distribution of affordability, In Lieu Fee, how the In Lieu fee is calculated, small project IHO compliance, alternative compliance and development incentives. Discussion further ensued amongst Committee Members about requiring developers to do the mid-point of the density range, nexus based impact fees, and allowing deed restricted SDUs to be built in order to meet the fractional requirement of IHO In Lieu fee payment.

Committee Member Lickey, Seconded by Committee Member Civian, made a motion to adopt the proposal of 7.5% Low, 7.5% Moderate, and 15% Middle, as submitted by staff for the IHO 30% breakdown. The motion carried on voice vote with Committee Member Abramson dissenting, and Chambers and Madarus noted as absent. (Ayes 6, Noes – Abramson, Absent – Chambers and Madarus)

Committee Member Burg, Seconded by Committee Member Civian, made a motion to accept the In Lieu Fee at full cost as proposed, and exceptions for small units, and ask staff to look at how the In Lieu Fee can be applied in a scalable fashion. The motion carried on a unanimous voice vote with Chambers and Madarus noted as absent. (Ayes 7, Noes 0, Absent – Chambers and Madarus)

Ken Munson – Opined on clarification about the possible In Lieu Fee with the new IHO and the impact fee cost.

Discussion ensued amongst the Committee about impact fees, the possible In Lieu Fee with the new IHO, and what constitutes a re-model on a single family dwelling vs a brand new house.

Committee Member Burg, Seconded by Committee Member Abramson, made a motion to support the proposal related to how small projects should comply with the Inclusionary Housing Ordinance. The motion carried on a unanimous voice vote with Chambers and Madarus noted as absent. (Ayes 7, Noes 0, Absent – Chambers and Madarus)

After discussion on alternative compliance among Committee Members Committee Member Burg, Seconded by Committee Member Civian, made a motion to approve the alternative



compliance proposal. The motion carried on voice vote with Committee Member Mansell dissenting, and Chambers and Madarus noted as absent. (Ayes 6, Noes – Mansell, Absent – Chambers and Madarus)

After discussion on development incentives, Committee Member Civian, Seconded by Committee Member Burg, made a motion to allow development incentives on a negotiation basis. The motion carried on voice vote with Committee Members Mansell and Lickey dissenting, and Chambers and Madarus noted as absent. (Ayes 5, Noes – Lickey and Mansell, Absent – Chambers and Madarus)

Director Massey asked the Committee if they wanted to pursue a Nexus Study to require an impact fee on rental projects to contribute to the affordable housing demand, either in payment of a fee or alternative compliance to the fee through deed restricted units in the developers projects.

After discussion among the Committee, Committee Member Burg, Seconded by Committee Member Abramson made a motion to look at applying impact fees to the rental market and authorize a Nexus based study. The motion carried on a unanimous voice vote with Chambers and Madarus noted as absent. (Ayes 7, Noes 0, Absent – Chambers and Madarus)

HOUSING ACTION PLAN UPDATED PRIORITY RECOMMENDATIONS

Director Massey summarized the Priority Recommendations to the Housing Action Plan to be voted on this evening. After discussion, Committee Member Burg, Seconded by Committee Member Whisney, made a motion to accept Priority Recommendations in the fast track grouping 1-6 and elevate Supporting Recommendations 7 and 8 to Priority Recommendations. The motion carried on a unanimous voice vote with Chambers and Madarus noted as absent. (Ayes 7, Noes 0, Absent – Chambers and Madarus)

HOUSING ACTION PLAN ACTIONS/OBJECTIVES

Director Massey summarized the Housing Action Plan Actions/Objectives. After Discussion among Committee Members, Committee Member Burg, Seconded by Committee Member Civian, made a motion to accept final Objectives 1-5 for the Housing Action Plan. The motion carried on a unanimous voice vote with Chambers and Madarus noted as absent. (Ayes 7, Noes 0, Absent – Chambers and Madarus)

Committee Member Burg, Seconded by Committee Member Whisney, made a motion to drop Objective 6 from the Housing Action Plan. The motion failed on a technical denial with Abramson, Mansell and Worden Dissenting, Chambers and Mansell noted as absent and Lickey abstaining. (Ayes 3, Noes Mansell, Worden, and Abramson, Absent - Chambers and Madarus, Abstained – Lickey)



Committee Member Civian, Seconded by Committee Member Abramson, moved to include Objective 6 with all the other Objectives in the Housing Action Plan. The motion carried on a voice vote with Burg and Whisney dissenting, Chambers and Madarus noted as absent and Lickey abstaining. (Ayes 4, Noes Burg and Whisney, Absent – Chambers and Madarus, Abstained – Lickey)

HOUSING ACTION PLAN SECTION 1: INTRODUCTION & VISION

Director Massey recapped Section 1 of the Housing Action Plan; discussion ensued amongst Committee Members about the images to be placed in the document.

Chair Worden opened the discussion to Public Comment.

John Diniakos – Opined that SDUs should be included in the Nexus Study.

After discussion, Committee Member Whisney, Seconded by Committee Member Mansell, made a motion to accept the draft Housing Action Plan Section 1: Introduction and Vision. The motion carried on a unanimous voice vote with Chambers and Madarus noted as absent. (Ayes 7, Noes 0, Absent – Chambers and Madarus)

NEW BUSINESS

None.

DISCUSSION REGARDING CORRESPONDENCE FROM COMMITTEE MEMBERS

None.

ADJOURNMENT

There being no other Community Housing Committee business to discuss the meeting was adjourned at approximately **9:10 p.m.**

APPROVED:

ATTEST:

Jon Worden, Chair

Karen Massey, Community Housing &
Development Director