

Bentonville Affordable Housing Committee
May 27th
11:00 am Zoom option available

Call to Order

Approve April Minutes

Public Comment

Discuss Market Studies & Potential Solutions:

- Fast review of where we've been
- Team discussion of studies and solutions by barrier
- Grouping of solutions for the city to implement
(Today avoid details of the mechanics of how they work)

Discuss initial prioritization of solutions

- Short-term vs Long-term

Discuss / recommend other community member input

Review Workplan / revise as needed

- Review and agree upon May meeting goals

Other items?

Adjourn

**Bentonville Affordable Housing Committee
Meeting Minutes
April 22, 2022**

Meeting Called to Order

Public Comment:

1. A discussion point was raised regarding the reported ACTIVE Listings from the MLS at the March meeting. Confirming the information was presented correctly from the 3/18/22 11:54am report. I have pasted it in again for confirmation. Note these were ACTIVE listing on that date (vs what has sold YTD). Full MLS report attached.
2. Lastly, there may be confusion around median (the price of the home in the middle of the 59 active), and the average of the 59 active (the arithmetic average of all home sales). Thus a few VERY high-priced homes raise the average, but not the median.

	Bd	Ba	Ht Sqft	YB	Acres	L\$ Sqft	List Price
Min	1	1	834	0	0.01	\$158	\$240,000
Max	7	9	16,109	2022	147.25	\$3,237	\$6,500,000
Avg	4	3	2,973	1628	5.04	\$424	\$1,108,384
Med	4	3	2,212	2007	0.30	\$268	\$676,500

Source: Market Analysis Summary | RESIDENTIAL Listings as of 3/18/2022 at 11:54 am,

March Minutes:

1. Minutes were approved.

Meeting overview:

1. Reviewed of our three target population bands

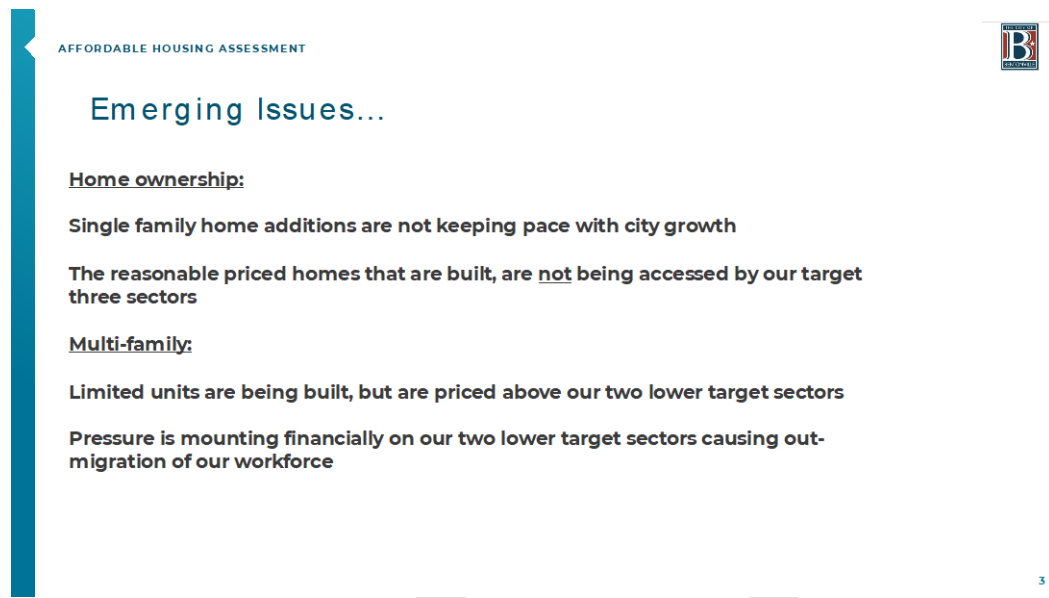
POPULATION ANALYSIS

Typical jobs are illustrated for each of the three target sectors and make up many positions in our community

Affordable Housing 30% - 50% \$20,000 to \$39,999 - Households Percent Affordable	2,634 14.5%	Production Occupations Firefighting & Prevention Community & Social Services Healthcare Support Occupations
Attainable Housing 50% - 80% \$40,000 to \$59,999 - Households	2,376 13.0%	Teachers Healthcare technologists & technicians Law enforcement & Supervisors Sales & Related Occupations
Core Housing 80%-120% \$60,000 to \$99,999 - Households Percent Attainable	4283 24%	Management Occupations Health diagnosing & treating Business & Financial Operations Architecture & Engineering Occupations

Source: 2019 Census Data - EF Analysis

2. Reviewed Emerging Issues:



AFFORDABLE HOUSING ASSESSMENT

Emerging Issues...

Home ownership:

Single family home additions are not keeping pace with city growth

The reasonable priced homes that are built, are not being accessed by our target three sectors

Multi-family:

Limited units are being built, but are priced above our two lower target sectors

Pressure is mounting financially on our two lower target sectors causing out-migration of our workforce

3

3. Reviewed Alignment Point:

City of Bentonville:

Create an environment (via removing barriers & creating incentives) so that properly priced housing can be built and ensure our target populations live there

Reviewed & Discussed 6 Barrier Groups:

Major Discussion points are called out below. Attached is the spreadsheet that captured real time the items as they came up.

1. Total Development & Cycle-times
 - a. Many sub-barriers pointing to the need to jointly look at a process redesign involving staff, planning commission and local developers
2. Zoning limiting Affordable Development
 - a. Main topic was various constraints that ultimately lower the potential units / acre. Initial ideas to address in spreadsheet.
3. Regulatory infrastructure & Permit costs or feeds
 - a. Various sub-points and interesting ideas on leveraging city owned utilities to our advantage
4. Land Costs prohibitive for Affordable Developers
 - a. Influenced by cost per door. Many ideas where the city could participate in spreadsheet
5. Target sector unable to purchase appropriate priced housing
 - a. Similar issues to many other cities. Ideas emerging similar to how ADFA runs their programs and also similar to other big cities such as San Fran.
6. Participation in Government programs
 - a. Issue of developers knowing / accessing various programs. Interesting solutions also emerging on this one (eg Austin Tx).

Emerging Themes from the Team:

1. Bundle solutions to key barriers / sub-barriers
2. Tier city offered solutions/incentives by target sector
3. Protect price points, duration or price and eligibility of occupant

Homework for May meeting:

1. Identify Markets where similar barriers have been addressed (via a market study).
2. Forward found market studies to Jeff to distribute to the team
3. A summary of each will be created for the May meeting for the team to review & discuss

Agenda for next meeting

1. Review & Discuss Market Studies
2. Prioritize Barriers (short, medium, long-term)
3. Continue to capture potential solutions

Next meeting - Friday, May 27th at 11:00 am – 12:30 pm Zoom option available.



BENTONVILLE

AFFORDABLE HOUSING COMM.

MAY 2022



Purpose of Today's Discussion

- ▶ Refresh on current state
- ▶ Agree on Key Barriers
- ▶ Discuss other markets solutions to Barriers
- ▶ Time permitting - Begin to identify relevant solutions

AGENDA

- ▶ **Summary work to date**
 - **Market Research Process**
 - **Market Research by Barrier**
 - **References**

Typical jobs are illustrated for each of the three target sectors and make up many positions in our community

<p>Affordable Housing 30% - 50% \$20,000 to \$39,999 - Households Percent Affordable</p>	<p>2,634 14.5%</p>	<p>Production Occupations Firefighting & Prevention Community & Social Services Healthcare Support Occupations</p>
<p>Attainable Housing 50% = 80% \$40,000 to \$59,999 - Households</p>	<p>2,376 13.0%</p>	<p>Teachers Healthcare technologists & technicians Law enforcement & Supervisors Sales & Related Occupations</p>
<p>Core Housing 80%-120% \$60,000 to \$99,999 - Households Percent Attainable</p>	<p>4283 24%</p>	<p>Management Occupations Health diagnosing & treating Business & Financial Operations Architecture & Engineering Occupations</p>

Key alignment points

Home ownership:

Single family home additions are not keeping pace with city growth

The reasonable priced homes that are built, are not being accessed by our target three sectors

Multi-family:

Limited units are being built, but are priced above our two lower target sectors

Pressure is mounting financially on our two lower target sectors causing out-migration of our workforce

In short... Units are not getting built at low enough cost because it is too expensive, what can the city do?

City role....

Create an environment (via removing barriers & creating incentives) so that properly priced housing can be built and ensure our target populations live there

During the April meeting, the team discussed and aligned around a set of Summary Barriers

Sub-barriers included in earlier email

<u>Key Alignment Point Reviewed & Discussed by team</u>	
	<u>City of Bentonville:</u>
	Create an environment (via removing barriers & creating incentives) so that properly priced housing can be built <u>and</u> ensure our target populations live there
<u>Initial Barriers:</u>	
	Barrier #1:
	<u>Total Development and Cycle-times</u>
	Barrier #2
	<u>Zoning limiting Affordable Development</u>
	Barrier #3
	<u>Regulatory infrastructure & Permit costs or fees</u>
	Barrier #4
	<u>Land Costs prohibitive for Affordable Developers</u>
	Barrier #5:
	<u>Target sector unable to purchase appropriate priced housing</u>
	Barrier #6:
	<u>Participation in Government programs</u>

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A long list of Market Research studies were forwarded & identified that could be helpful in addressing barriers

Over 85 Research Studies Reviewed		15 interviews with local and national experts

The next section contains short summaries of the market research and hyper-links to the actual research study

Barrier # 1: Total Development and Cycle Times



Streamlined

- [Georgia](#)
 - Provide commercial
 - Provide
 - [Atlanta](#)
 - FA
- Many across other barriers availability change.

Barrier #2: Zone Limiting Affordable Development



Affordable Unit Adjustments a

- [Affordability Unlocked](#)
 - Extensive modifications at least half of the
 - Modifications of in single family
- [Preservation Communities](#)
 - Created a new owners to include house low-income

Barrier #2: Zone Limiting Affordable Development



- [Arlington, VA](#)
 - Increases in building height and density bonuses are determined on the basis of the share of low- or moderate-income units to be provided, the location and size of those units, the amenities to be provided for low- and moderate-income residents, and other factors.
 - In place prior to their current [Affordable Housing Master Plan](#)

AGENDA

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Streamlining to Shorten Project Timelines

- **Georgia Municipal Association**
 - **Provides several examples of ways to streamline and communicate processes effectively**
 - **Provides links to communities implementing these practices**
 - **Atlanta, GA: Use of online portals to submit and check statuses, FAQs, no mailed payments, etc.**
- **Many acknowledge this is an issue and focus on how solutions to other barriers (waiving fees, zoning changes to increase land availability) could shorten development ties or advocate for policy change.**

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Affordable Units = Density Bonuses, Height Adjustments and Zoning Changes

- **Affordability Unlocked Development Bonus Program (Austin, TX)**
 - **Extensive modifications for new developments that set aside at least half of their units as affordable.**
 - **Modifications can include height, density, parking, 6 or 8 units/lot in single family zones**
- **Preservation Compact (Chicago, IL)**
 - **Created a new \$34 million low-cost fund to encourage building owners to include at least 20% affordable units in buildings to house low-income households in high cost, strong neighborhoods.**

Barrier #2: Zone Limiting Affordable Development

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- **Arlington, VA**
 - **Increases in building height and density bonuses are determined on the basis of the share of low- or moderate-income units to be provided, the location and size of those units, the amenities to be provided for low- and moderate-income residents, and other factors.**
 - **In place prior to their current [Affordable Housing Master Plan](#)**

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Building Code Change for Plumbing and Electric

- **Preservation Compact (Chicago, IL)**
 - **Alternative Plumbing Materials Pilot Program**
 - **Saved Chicago developers and property owners more than \$38 million over the past four years**
 - **Data acquired pilot helped to inform changes to the Chicago Plumbing Code passed by the City Council for the expanded use of PVC for drain, waste, and vent piping for residential occupancies and will eliminate the need to apply for and receive an Alternative Code Approval Request (ACAR).**
 - **Have also made significant changes building and electrical codes**

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Fee Waivers for Mixed-Income Housing

- **S.M.A.R.T Housing (Austin, TX)**
 - **Housing projects may receive development fee waivers if the development provides mixed-income housing by including dwelling units that are affordable for the required affordability period, accessibility in a development of more than three dwelling units by providing at least 10 percent of the dwelling units that comply with the accessibility requirements of the City's building code, and/or visitability (a measure of a place's ease of access for people with disabilities) in a development with three or fewer dwellings.**
- **Affordable Housing Community (Seattle)**
 - **Mandatory Housing Affordability, requiring developments in certain areas to include affordable housing or pay into a fund, resulting in an estimated 6,300 affordable homes over the next decade**
 - **Implemented a reduction to the sewer capacity charge for affordable units (benefits the tenant)**

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Housing Trust Fund

- **Central Florida's Regional Affordable Housing Initiative**
 - **The county has already created a housing trust fund in which the government has committed to placing at least \$10 million every year for the next 10 years, totaling \$100 million, for the purpose of developing more affordable housing.**
 - **Regional Housing Initiative Executive Summary (2018)**
- **Affordable Housing Development Fund (Madison, WI)**
 - **Since its inception in 2015, the AHDF has awarded over seventeen million dollars to more than 25 projects, and supported the creation of 1372 affordable units in Dane County.**
 - **City of Madison Affordable Housing Strategy**

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Alternative Financing for Developers

- **JBG Smith and Federal City Council: The Washington Housing Initiative**
 - **The Impact Pool- provides long-term, lower-cost, permanent financing to developers and owners. The returns on investments are capped, allowing for excess proceeds to be used to support long-term affordability and neighborhood services across the portfolio.**
 - **Washington Housing Conservancy- is an independent, non-profit organization that acquires, develops, owns, and operates workforce housing in high-impact locations as away to keep residents living close to their jobs by offering multi-family housing at affordable rental rates. Capital from the Impact Pool helps to finance the properties purchased by the Washington Housing Conservancy.**

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Acquiring and Maintaining Affordable Homes

- **Home Wanted (Boulder, CO)**

- **Secure a total of 18,000 homes as affordable to a diverse mix of low and middle-income households by 2035. This goal is based on the population and land use projections from each community and acknowledges that more than 6,000 homes are already affordable for the long term.**
- **Build 300 affordable homes/year and acquire 500 homes/year that would have lost to market escalation**

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Commitment to Building Affordable Units

- **Future Housing of Greater Washington (DC)**
 - **75% of new housing units between 2020-2030 to be affordable to low and middle-income households**
- **Strategic Housing Blueprint (Austin, TX)**
 - **Goal of 135,000 units in 10 years that serve a variety of income levels to help put households in appropriately priced units**
 - **Reporting and Progress**

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Maximize Participation

- **[Austin Housing Analysis \(2020\)](#)**
 - **Created and preserved 26k affordable units have been created or preserved with local, state and federal funds. These include housing authority units, developments built with rental tax credits, developments funded by General Obligation (GO) bonds, SMART Housing developments and others. p. 70 (sec 3 p. 23)**
- **Down Payment Assistance Programs**
 - **[Austin Down Payment Assistance Program](#)**
 - **[Georgia Dream Homeownership Program](#)**
- **Encourage more landlords to accept housing vouchers**

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Top Resources

- **[Metro Atlanta Housing Strategy](#)**
 - Breaks down housing issues/resources by topic/barrier. Several of the sources linked originated from this page.
- **[Minneapolis 2040](#)**
 - 22 housing policies they are working to implement by 2040
 - Breaks down each policy
- **[Northwest Arkansas Housing Policy Landscape Assessment Phase Two Report](#) (WFF)**
 - Case studies beginning on p. 51 provide examples and led to many of the programs described in the previous slides
- **[Austin Housing Analysis](#) (2020)**
 - Data from most housing analysis reports support these are barriers in other communities
- **[Link to April 2022 Committee Worksheet with Resource Notes](#)**

Who was Contacted?

- **Liz Alsina**
- **Jeremy Pate**
- **Meredith Bergstrom**
- **Elise Balboni (Enterprise)**
- **Chris Kizzie (Enterprise): Provided links to information from [Austin](#), [Madison](#) and [Durham](#) that were similar to the Our Housing Future report.**
- **Blue Crane**
- **Colin Groth (StriveTogether)**
 - **Recommended [VSI](#) for best people doing market studies**
 - **Recommended Andrew Mazack at VSI**
 - **Provided link to information on [Cincinnati](#)**
- **Andrew Mazack (VSI)**
- **Tiffany Hudson (Partners for Better Housing)**

Who was Contacted?

- **Karen Minkel**
- **Bill Burckhart**
- **Casey Kleinhenz (CDC)**
- **Monique Pierre (Partners for Better Housing)**