

***INCLUSIONARY HOUSING STAKEHOLDER COMMITTEE
MEETING #1 SUMMARY, Monday, April 27, 2009***

INTRODUCTION

On Monday, April 27, 2009, the following members of the Inclusionary Housing Stakeholder Committee Meeting met for the first time:

Panama Bartholomy	Sacramento Planning Commission
Don Bunn	District 7
Joan Burke	Loaves and Fishes
Pastor Frank Espegren	ACT (Sacramento Area Congregations Together)
Kevin Greene	Downtown Partnership
Brandy Kollenborn	District 1
Bob Lawler	St. Anton
Will Leighton	Centex Homes
Paul Noble	District 3
David Nybo	Infill Developer
Jessie Reese	District 8
Dennis Rogers	BIA (Building Industry Association)
Shamus Roller	SHA (Sacramento Housing Alliance)
Richard Sickert	District 2
Mark Stivers	SHRC (Sacramento Housing and Redevelopment Commission)
Eric Sunderland	District 6
Dan Weitzman	District 4

Absent was Committee Member Joany Thitherington, District 5.

Also present were:

Cindy Cavanaugh, SHRA Assistant Director
Emily Halcon, SHRA Management Analyst
David Kwong, City of Sacramento Planning Director
Tom Pace, City of Sacramento Community Development Dept.
Greg Bitter, City of Sacramento Community Development Dept.
Sabina Gilbert, City Attorney's Office

The meeting was facilitated by Laura Mason-Smith, of Mason-*Smith* SUCCESS STRATEGIES. Outlined on the following pages is a summary of meeting results.

INCLUSIONARY HOUSING STAKEHOLDER COMMITTEE MEETING #1 SUMMARY, Monday, April 27, 2009

Stakeholder Committee Purpose

Cindy Cavanaugh and David Kwong welcomed the participants and clarified that the purpose of the Stakeholder Committee process is to:

- Create a factual understanding of the Inclusionary Housing Ordinance and the factors related to its implementation
- Solicit balanced public input and suggestions on staff recommended changes to the Inclusionary Housing Ordinance
- Achieve mutual education and understand different perspectives

April 27 Meeting Purpose

Laura Mason-Smith reviewed the agenda and clarified the purpose of the evening's meeting as:

- Get to know the participants
- Begin to learn more about the Inclusionary Housing Ordinance
- Understand the Committee process components and timeline
- Identify questions that need to be answered as part of the process
- Clarify next steps

Ground Rules for Working Together

The Committee reviewed suggested ground rules for working together effectively and made modifications. The final ground rules agreed upon are:

- *Start and end on time*
- *All ideas are valid*
- *Listen for understanding and show respect for all*
- *Clarify issues*
- *Differences are to be understood and acknowledged rather than argued*
- *One speaker at a time – no side conversations*
- *Hear from everyone – no one person dominating*
- *Use the "Hand Signal" if the discussion appears to be off track*
- *Turn phones to off or silent until breaks*

ORDINANCE OVERVIEW AND DISCUSSION

Emily Halcon walked through Committee meeting schedule, topics, and logistics and reviewed the "white paper" for Meeting #1, which was an overview of the Inclusionary Housing Ordinance and its periodic review process.

Participants then identified questions, some of which were answered and others that will be addressed at subsequent Committee meetings:

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1	4/27/09	<p>Background and Introductions</p> <ol style="list-style-type: none"> 1. What percent of housing is rental (<i>77% in 2007</i>) and ownership (<i>23% in 2007</i>) 2. Does the 2007 Assessment need updating to reflect today's economy? <i>No, since this was an assessment of the results of the Ordinance since its inception and little development has occurred since 2007, the assessment results are still accurate.</i> 3. Is the Stakeholder Committee Topic List subject to change? <i>Yes, depending on the input from the Committee and the need (if this can be accommodated in the limited number of meetings scheduled).</i> 4. What is the difference between the Housing Element and the Inclusionary Ordinance? <i>The Housing Element is one of 7 mandated elements of the City's General Plan. Unlike other elements, the Housing Element must be reviewed every 5 years, and is subject to State review and certification. The Housing Element requires jurisdictions to have sufficient capacity to meet housing for anticipated growth needs. The City's recently adopted 2008-2013 Housing Element has 93 programs, and the Inclusionary Ordinance is one of these 93 programs.</i> 5. Should we consider any areas that will become annexed at some point? <i>Yes</i> 6. What are we trying to create with the Ordinance – what is the Council's direction? <i>The Council generally agreed that existing provisions should be re-visited given changing market conditions and that the geographic application of the Ordinance should be revisited.</i>
2	5/18/09	<p>In Lieu fee – Application and Use Project Level Exemptions</p> <ol style="list-style-type: none"> 1. What are the development options for rental ELI (extremely low income) units? How can these be made economically feasible, since there is an economic benefit to the community to have workers live and work closer. 2. How can we have more affordability for middle income people? 3. What is the subsidy needed to produce units at various income levels?
3	6/1/09	<p>Citywide Application Dense Project Application</p> <ol style="list-style-type: none"> 1. How can the ordinance be implemented in built out areas with little or no development opportunities? 2. What is the economic viability in a stable market? The fee

City of Sacramento and Sacramento Housing & Redevelopment Agency
INCLUSIONARY HOUSING STAKEHOLDER COMMITTEE
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		<p>structure has not come down.</p> <p>3. How will land use planning be addressed in the central business district?</p>
4	6/22/09	<p>Mid-Way Check In</p> <p>What are the economic aspects and realities of inclusionary housing? How does it work financially?</p>
5	7/6/09	<p>Rental Outcomes</p> <ol style="list-style-type: none"> 1. What are the development options for rental ELI (extremely low income) units? How can these be made economically feasible, since there is an economic benefit to the community to have workers live and work closer? 2. Are income levels on the table for the new Ordinance (ELI to moderate)? 3. How can we have more affordability for middle income people? 4. How can we take into consideration the social impacts and feasibility of Inclusionary housing, not just the economic aspects? 5. What are the funding realities of mixed income and related funding structures? 6. How do subsidies work – who pays for them? 7. What is the subsidy needed to produce units at various income levels?
6	7/20/09	<p>Homeownership Outcomes</p> <p>“Natural” Affordability</p> <ol style="list-style-type: none"> 1. How does shared equity work? 2. What are the follow-up statistics on homeownership over time under this ordinance or elsewhere? How are folks doing? Have they lost their homes? 3. Are income levels on the table for the new Ordinance (ELI to moderate)? 4. How can we take into consideration the social impacts and feasibility of Inclusionary housing, not just the economic aspects? 5. What homeownership opportunities have been added to address the current market? 6. What are the incentives, and how do they work?
7	7/27/09	<p>Wrap Up and Next Steps</p>
8	8/10/09	<p>HOLD If Needed</p>

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NEXT STEPS AND CLOSE

Emily Halcon highlighted the next meeting on May 18. A white paper of the meeting topic will be distributed with the agenda and location prior to the next meeting. Emily explained that the meetings are closed to foster achieving the Committee Purpose (page 2). Participants are encouraged to share the information, materials, and discussion results with their organizations and others. Also, all related information and meeting summaries will be posted on SHRA's website (<http://www.shra.org/Content/Housing/HousingDevelopment/IHCity/Stakeholders/IHstakeholder.htm>). A bus tour of Inclusionary housing projects is being explored, and Committee members will receive upcoming information on this.

The SHRA and City staff thanked the participants, and the meeting concluded at 8:20 pm.