

## **Report for the Initiative for Public Deliberation's Open Forums on Affordable Housing**

**Battleground Community Center, Battleground, WA, March 25, 2015**

The Affordable Housing Forum held at the Battleground Community Center in Battleground, was the first of six forums conducted by Washington State University Vancouver and The Thomas S. Foley Institute's *Initiative for Public Deliberation*. The forums were sponsored by The Community Foundation for Southwest Washington and Identity Clark County. Twenty individuals participated, with an average of five participants at one of four tables led by a facilitator/note taker or facilitator and note taker. Conversations at each table were captured by audio and written notes, and comments were later transcribed without attribution to ensure anonymity. Throughout the discussion the facilitator sought to find areas of commonality and disagreement among the group. Following is a summary of the main themes, some unique findings, and concluding thoughts.

Offering government subsidies for the fees included in developing affordable housing units received near unanimous support from all participants when the subsidies were discussed as a general policy goal to increase housing opportunities for low-income property owners and renters. Once participants were asked to think more critically about the potential consequences of implementing these subsidies however, seven out of the fifteen who discussed the issue felt that the additional tax burden placed on themselves, future property owners, and the community in general was undesirable and would eventually cause opposition to incentivized development of affordable housing. Furthermore, one group of participants was especially concerned about the possible addition of "red tape" restraints and regulations that would be imposed on developers for accepting these government subsidies. Overall, there appeared to be a significant amount of skepticism toward the idea of imposing additional burdens on the public in order to provide government subsidies for affordable housing development fees.

For the ten participants who discussed whether impact fees imposed on housing developers to pay for infrastructure costs associated with new projects (i.e., roads, sewers, utilities, etc.) should be reduced, all but one agreed. In fact, these participants believed impact fees are currently too high and acted as another "tax" against developers, which in turn may reduce the incentive to start new affordable housing developments. One group of participants went further to propose a possible solution to this barrier by simply changing the timing of fee payment. More specifically, they argued that instead of having to pay the impact fees upfront, developers should be allowed to pay them at the time of sale, which, according to these participants, could reduce the overall cost of impact fees for an average house by roughly \$4,000.

One common concern among most participants involved the potential negative impact that unregulated, overdevelopment of affordable housing could have on already insufficient infrastructure, in particular, a mass transportation system that is largely inaccessible in most rural areas and even some urban areas. They suggested a strategic approach to ensure future affordable housing development occurs where existing public transportation, such as C-Tran bus routes, is already in place. This was perceived to be especially problematic if incentivized development were to occur through tax exemptions, tax credits, or an expedited permit and paperwork process for developers. When discussing the potential impact on infrastructure, the

role of local and state government and their relationship with nonprofit and private sector developers became an important talking point for participants. More specifically, for the two groups of participants who discussed the matter, all ten agreed that before there is any future development of affordable housing projects in their community, it is first necessary to think critically about improving our current infrastructure needs, and how the development of new affordable housing may exacerbate those needs. This led participants to advocate for the implementation of a mixed or hybrid modeling approach where the government works alongside nonprofit and private sector developers toward the best development solution that places the least amount of tax burden on the community as possible.

When discussing inclusionary zoning as a mechanism to expand affordable housing opportunities, participants discussed whether this would contribute to a decrease to current property values as a result of potentially lower-quality housing. While over half of all participants approved of the expansion of affordable housing projects in the tri-county area, most participants showed significantly less support for these expansions when asked if they would approve of those developments in their own neighborhood. At first glance this “not in my backyard” perspective seems negative, however it may simply reflect the participants’ overall belief that the wrong type of affordable housing developments are currently being built. In fact, fifteen out of the twenty participants discussing this issue expressed their view that the current affordable housing developments are severely inconsistent with the actual demand. For example, one group argued developers should be more willing to build low-income apartment complexes rather than homes intended for moderate income families that bring higher profit margins. According to these participants, a better understanding of the current housing market in addition to recent changes in the socioeconomic status of the community would translate into the development of more appropriate types of affordable housing. These participants agreed that only when this information is obtained could we actually implement an inclusionary zoning scheme that truly promotes socioeconomic diversity from mixed-income neighborhoods that would ultimately increase overall living standards and prevent the possible development of low-income or poor “ghettos.” And, it should be noted that one group of participants argued that if inclusionary zoning for affordable housing developments were managed correctly, it may actually increase all property values in those neighborhoods.

As mentioned above, participants felt strongly that the local and state governments need to play a more active role in the expansion of affordable housing opportunities. Indeed, ten participants from two separate groups all argued that the government should play a more significant role in providing oversight of affordable housing projects. Perhaps more important, these participants also believed government needs to provide continued oversight of post-development property maintenance to protect landlords and property managers that open their properties to low-income affordable housing (i.e., financial assistance to repair damages). Some participants also took seriously the need for government oversight to prevent property-owners from remodeling or improving their vacant or affordable housing complexes to attract upper-income buyers and renters only.

Overall, participants seemed to have mixed feelings in regard to a reduction of current regulations that may serve as a burden to future affordable housing developments. For example, only five of twenty participants discussing reduction of regulations believed that the size of a

housing unit was an important part of one's quality of life, and it was therefore important to have regulations to prevent the development of units or lot sizes that are uncomfortably small. Conversely, the other fifteen participants believed that amending development regulations to allow for smaller units or lot sizes, while not preferred, may be a necessary solution to the current affordable housing problem. In a moment of unanimity among all participants, it was considered to be a very bad idea to reduce parking requirements and regulations for new housing developments in terms of lowering the number of parking spaces per unit and/or lot. Almost every participant agreed that this would be a significant detriment to the community in several ways, recognizing that everyone depends heavily on their cars. Moreover, they believed reducing parking requirements could translate into an increased reliance on an already insufficient mass transportation system, which is especially an issue for rural and low-income families.

Fifteen participants across three groups all proposed a re-analysis of the development of mobile and/or manufactured homes as a cost-efficient housing alternative. While some participants acknowledge this option could conflict with any future inclusionary zoning ordinances, most nevertheless believe manufactured homes are less expensive to build, which would in turn make it more affordable to own or rent. Additionally, over half of the participants also agreed that any solution to the affordable housing problems under discussion should first begin with improving how the community is educating its citizens toward helping them be more independent and self-sufficient about owning or renting property. Examples provided included asking the local banking industry and social service agencies to help inform citizens about the various responsibilities involved in owning or renting property.

There was a general consensus among all participants that, while these open public forums were beneficial, more voices were needed in a discussion of affordable housing, and any future forums should strongly consider including them. For example, participants would like to have heard from nonprofit organizations, for-profit private sector developers, bankers and loan officers, as well as local, state, and federal government representatives who could offer their perspective on affordable housing developments. There was also strong agreement that any discussion of affordable housing must also be connected to a discussion about adequate infrastructure, in particular, mass transit. Each participant agreed that there is obviously no single solution to the various problems associated with over or under regulation of the process, the downfall of possible overdevelopment of affordable housing units, and the unintended consequences the above may have on infrastructure and the mass transportation system.

With no clear, easy answer to the affordable housing problem, many participants showed strong support for looking to other communities for help in creating an affordable housing development model. For example, one group of participants suggested that we consider following cities like Portland, OR, another group mentioned Salt Lake City, UT, and a different group suggested we follow the European model – these groups discussed how these models had been implemented with a good deal of success and received overwhelming public support. Above all else though, all participants argued that any future discussions on affordable housing developments must take place within the context of adhering to the different values particularly important to this community. A community value that one group emphasized as particularly important is how having quality, affordable housing contributes to a more stable life of those in need. A stable

living situation will create an overall healthier environment for children and their families, which in turn should translate into a higher degree of academic success for those children in the public education system.