

## MEETING SUMMARY | Housing Subcommittee Committee Meeting 3

February 28, 2019

The following is a summary of the third meeting of the Housing Subcommittee for Tuscaloosa's Comprehensive Plan and Zoning Code Update process. Attached to this summary are the meeting attendance sheet, agenda, and additional documents.

### Welcome

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During the welcome, Brock Corder volunteered to serve as the subcommittee's representative at the March 20 Steering Committee meeting.

### Intro to Workforce Discussion

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Staff provided an introduction to the workforce housing discussion, clarifying that workforce housing is housing for the critical work force, and that no certain price limit is associated. Staff discussed a few relevant slides from the October 2018 presentation on the 5-Year Affordable Housing Study, including the significant increase in the vacant units deemed "seasonal, recreational, and occasional purpose housing."

The subcommittee was provided with large maps of the potentially developable lands and the zoning of the undeveloped residential parcels for use while discussing the home sale MLS data.

### Home Sales and Locations

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Staff presented a data set created using MLS data from the Tuscaloosa Association of Realtors and Steering Committee member Gerald Ross. Initially, there were 23,531 data points; 9,961 were removed due to their location outside the city limits; 4,806 were removed due to data issues. In total, 8,764 data points were examined from January 1, 2008 – July 31, 2018.

Staff presented the following:

1. Location
2. Price sold
3. Days on market

4. Number of bedrooms
5. Days on market with sales price

Subcommittee members noted the following:

1. The number of sales started to increase in 2015 because of the rebounding economy, low interest rates, and new construction.
2. The average sale price is good information, but the median price would be helpful to see, too.
3. Workforce housing is generally thought of as a three-bedroom home, but subcommittee members noted that the narrative may need to change.
4. The days on market with sale price figures may be skewed by new construction depending on when the property is put on the market – some builders place a home on the market as soon as the foundation is poured. The subcommittee asked if staff could map only the new construction.
5. Properties sold directly by the owner without a realtor would not be reflected in the data presented.

The cumulative value of the homes sold is just under \$1.9 billion dollars for the time period. The subcommittee noted that most workforce members are not buying homes in the \$275,000 price point, and that affordability depends on many factors: 1- or 2-income household, savings, etc.

### **Group Discussion: Regulatory Barriers**

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Mr. Corder shared homebuilder data from the National Association of Home Builders and Wells Fargo, as well as local data from the Tuscaloosa Homebuilders Association:

1. Housing affordability is down 6% nationwide in the last year, and 22% since 2012.
2. Material and labor costs are increasing.
3. The perception is that land costs drive up new home prices. In most parts of Tuscaloosa that are south of the Black Warrior River, there are opportunities to annex land into the City at prices similar to what they were 10 years ago. However, the buyer must also factor in the cost to build infrastructure that serves the property.
4. Nationwide, 24.3% of the final cost of a home is attributed to federal, state, and local regulatory requirements. Most of that is on the development side, rather than the construction side.

Staff discussed various challenges in the current Zoning Ordinance and Subdivision Regulations.

## **Group Discussion: Desired Outcomes**

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Staff showed a variety of concepts from other communities, pointing out neighborhood context, aesthetics, height, etc. for a stacked duplex, side-by-side duplex, and quadplex. Staff then showed a variety of images from Tuscaloosa of these same building types. Many of the units are within single-family neighborhoods, but some townhouse and duplex neighborhoods have been constructed on small sites as infill.

Subcommittee members asked about implementing minimum materials standards for infill development if multi-unit developments were permitted inside single-family neighborhoods.

## **Group Discussion: Possible Solutions**

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Staff reviewed examples from other communities that are using pre-approved building plans and infill development codes – Portland, Oregon, Knoxville, TN, Chattanooga, TN. Mr. Corder noted that the building code needs to allow some products to be built under the residential code instead of the commercial building code to make it practical.

Staff reviewed an example from Santa Barbara, CA for average unit-size density. The concept has the potential to be molded into something that could work for Tuscaloosa instead of PUDs – smaller, more affordable units mean more density.

Staff also discussed Boardwalk at Brittain Landing/Landmark Tuscaloosa's conversion from student housing to workforce housing. New information from the last meeting indicates that this product happened through very unusual circumstances aligning.

Mr. Rumsey discussed the idea of converting multifamily into condos that could be for sale.

Staff asked if the different product mixes were worth considering. Subcommittee members were mixed in their opinions – some were unsure that the different concepts could actually work in a single-family neighborhood, while others thought that allowing it on vacant lots and declining residential areas would be a good option. Ms. Coley expressed a want to keep students in town after they graduate – many come from different cities that have different housing types and products, so it might be an attractive option.

The subcommittee noted that we need to start identifying areas of the city where we want to encourage development, and that the city needs to incentivize, through code or financially, building in infill zones.

## **Next Steps**

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The subcommittee decided to meet again for two hours in April to discuss student housing at a more micro level. Staff asked the subcommittee to review the PowerPoint slides and send questions/comments.

## **Public Comment**

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Janine McGee with the University of Alabama provided the following items for thought:

1. The average age of graduate school students is 32 – this group of students may have children and want to live in housing that is thought of as workforce housing.
2. In the discussion of converting multifamily properties to condos: the properties were not built with school zones in mind. Think of how the school zones would impact the conversion to family housing.
3. Carriage houses could be a great solution for elderly, who could live near their family this way.
4. UA is one of the largest employers, and it's challenging to get workforce housing for UA employees close to campus – where could they go?