



DRAFT

SPECIAL COMMITTEE ON HOUSING MINUTES
MONDAY, MAY 17, 2021
SAM KING ROOM
4:30 P.M.

COMMITTEE MEMBERS PRESENT:

Wendy Davis (Chair), Bill Temple, Walt Busby, Hannah Phillips, Taylor Ritchie, Brian Spears, Harry Brock, Allison Watters, Brooks Mathis, Carol Hatch

OTHERS PRESENT:

Bonny Askew, Mark Cochran, Artagus Newell, Brice Wood, Bekki Fox (Zoom), Toni Rhinehart (Zoom), Mike Hackett (Zoom), John Boyd (Zoom), Doug Walker, Matt Harper, Chris Forino, Ian Griffin, Collin Doss, Jeanne Krueger, Rob Ware, Betty Sue Hickman, Charles Love, Terri Morgan (Zoom), John Druckenmiller (Zoom), Dennis Johnson (Zoom), Colin Bennett (Zoom). Kelly Griffin (Zoom), Missy Kendrick (Zoom)

Chairperson Davis welcomed everyone to the meeting and the minutes of the May 4th meeting were approved by common consent. Davis stated that today, MLS shows 94 houses for sale in the county with 24 of those between \$100,000 and \$250,000. Davis reminded the group that a new term for “workforce housing” had still not been determined but that the group did come to a consensus in the last meeting setting the price threshold of a maximum of \$250,000 for new houses and \$1,200/month for rental houses. She also reminded that changes regarding ULDC (removing minimum lot size requirements, allowing accessory dwelling units, multi-units/cluster options) discussed in the last meeting will be going before the next Planning Commission when they meet on June 3rd.

Davis began the discussion of ideas for incentives and stated other cities are experiencing the same housing shortages and are providing water and sewer and cash incentives, tax abatements, etc. Walt Busby provided his ideas for tiered incentives as a starting point:

- \$200,000-\$250,000 price range homes would receive the least of the incentives:
 - Waive water and sewer tap fees
 - \$6,000 cash per lot
 - City limits only
 - Minimum commitment of 25 units
 - Must be raw development, not redevelopment
 - Incentive would be provided as a reimbursement, not up-front money

Busby stated that he was unsure of how to incentivize multi-family development but suggested infill lots with a minimum of 10 “doors” or units being built would receive \$5,000 cash per lot along with the waived water and sewer tap fees. Busby provided pricing from Carver & Carver for materials and labor to install water and sewer in the North Point Village subdivision that he is developing as an example of the high cost of running water and sewer lines for new housing. The pricing was quoted at approximately \$447,000 for the 57 lots and when added to the cost of water and sewer tap fees, comes to approximately \$11,000 per lot.

Davis reminded that the water and sewer fund is an enterprise fund and that it operates like a business and that there is hesitation from some regarding waiving these connection fees. She stated that waiving the water and sewer fees did not have to be a never-ending solution, but for a short time could be a jump start to get the housing that is needed. Allison Watters agreed that she is in favor of incentivizing infill lots and creating more density downtown. However, she is not in favor of building speculative sewer out in the county when there are opportunities to do things within the city. Matt Harper shared his opinion that speculative sewer is needed to bring new construction. He used the available sewer lines that run down Burnett Ferry as an example of the opportunity for new growth with the Highlands subdivision. Mike Hackett was asked why sewer was available in this area and stated that the sewer is part of the Coosa Treatment Plant and was subsidized in part by industry.

Hackett also addressed the discussion regarding eliminating tap fees and running speculative sewer by stating that a rate increase would be imminent. He responded to questions surrounding the \$20 million reserve by explaining that \$15 million is needed to complete the Etowah raw water station, a recent \$3-4 million emergency need, and the \$50 million needed for distribution and collection systems. He disagrees that the statement that \$20 million is an enormous amount to have on reserve due to having to meet PFAS requirements, oncoming regulations, the distribution and collection system repairs and upgrades, the treatment plant project, etc. He mentioned that speculative sewer had been run on W. Hermitage Road in the early 2000s and still no development had been done there. He also informed that load size had to be considered for the possibility of needing multiple lift stations when running speculative sewer which can drive costs up. He reminded that there is upcoming CARES Act money that will be available for some infrastructure improvements. Davis stated that she feels the city budget can afford these incentives because of revenue coming in from other industrial/retail projects. Busby inquired about extending sewer down Chulio Road. Hackett responded that there is nothing planned for that, however, there is a force main that runs approximately 3 miles serving 2 retirement centers and it cannot be tapped into.

Davis stated that her estimations show that the ROI for waived connection fees for water and sewer for a \$250,000 house would be less than 2 years because of revenue from property taxes and water bills. Commissioner Bonny Askew stated that this revenue would go to two different funds, not solely into the water and sewer fund. Commissioner Mark Cochran added that water and sewer does not pay out of their enterprise funds for the general fund dollars used to support water and sewer projects. Finance Director Toni Rhinehart stated that water and sewer does have a budget for connections however, they must cover the expenses related to the connections and that these expenses can fluctuate dramatically. She reiterated that as an enterprise fund, they are self-supporting, and they must have enough reserve funds available to cover expenses that can be very large and unexpected. Additionally, she mentioned

that water and sewer does pay an admin fee to the general fund for administration and other departmental services.

Through the discussion, it was determined that there are approximately 861 housing units (rental units and houses) currently being built and/or will potentially be built in Rome and Floyd County in the near future. Hannah Phillips from the NWGHA mentioned that they have 460 units that are new and under construction along with units that have been under renovation and are about to reopen.

Carol Hatch asked about the CARES Act/Federal money and Davis answered by saying that the funds and the specifics of how the money can be spent will be released soon. Watters reminded that there are several ways that the money will be able to be spent and wants to proceed with caution so that initial decisions will not be costly in the long run.

Busby and Temple suggested that a proposal of specific incentives be determined in this committee to send to the commission that would address new housing and infill lots. Chairperson Davis will put together a list of some of the suggestions discussed in the meeting and will send to the committee to review for discussion at the next meeting.

The next meeting will be held on June 7th at 4:30 p.m. Chairperson Davis adjourned the meeting at 6:00 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Kelley Parker". The signature is written in a cursive style with a long horizontal flourish at the end.

Kelley Parker
Executive Assistant, City Manager's Office