



City of Broken Arrow
Minutes
Special Joint Meeting
City Council and Planning Commission

City Hall
220 S 1st Street
Broken Arrow OK
74012

Mayor Debra Wimpee
Vice Mayor Christi Gillespie
Council Member Johnnie Parks
Council Member Lisa Ford
Council Member Justin Green
Chairperson Jaylee Klempa
Vice Chair Robert Goranson
Commissioner Jonathan Townsend
Commissioner Jason Coan
Commissioner Mindy Payne

Tuesday, March 26, 2024

Time 5:30 p.m.

Public Safety Complex

1. Call to Order

Vice Mayor Christi Gillespie called the meeting to order at approximately 5:30 p.m.

2. Invocation

Pastor Scott Moore performed the invocation.

3. Roll Call

Present: 7 - Justin Green, Lisa Ford, Johnnie Parks, Christi Gillespie, Robert Goranson, Jason Coan, Mindy Payne

Absent: 2 - Debra Wimpee, Jaylee Klempa

4. Pledge of Allegiance to the Flag

Vice Mayor Gillespie led the Pledge of Allegiance to the Flag.

5. General Council Business

A. 24-433 Review and discussion of the Preliminary Draft and Findings of the Broken Arrow Housing and Demographic Study, prepared by Points Consulting

Mr. Brian Points, President of Points Consulting, thanked everyone who contributed to this project, including Pedro Jimenez and various members of Johnson and Associates who were especially helpful. He began reviewing the Housing Needs Assessment and Forecast for Broken Arrow between 2023 and 2040. He noted this was a general study regarding the future of housing in Broken Arrow. He explained this study was done to produce a useful product for cities to use while developing zoning, housing organizations, bond funding, focusing infrastructure, etc. He indicated implementation of any recommendation was the responsibility of Broken Arrow; the study would only make recommendations based on best practices and research. He displayed the Land Use Map from the 2030 Comprehensive Plan. He noted the City could control the Land Use Map and the City's land use. He reviewed the history of the project and steps taken up to this point, the thirteen member steering committee which assisted, and when he hoped the Study would be ready for adoption.

Mr. Points reviewed the Executive Summary points. He said rising demand would lead to increased price competition despite an abundance of land, as incoming residents and investors would bring levels of cash which would rebalance the market at higher price levels. He stated the biggest issues from the community's perspective were roads/infrastructure keeping up with growth, risk of school "overcrowding" (which was a subjective term), and the community did not wish to turn into Tulsa. He stated Broken Arrow's population surged 8% from 2020, surpassing 117,500 residents in 2023. He noted median home values in 2023 reached \$265,000 dollars but remained lower than the national average of \$349,000 dollars. He stated around 72% of low-income renters and 15% of owner-occupied households were cost burdened, with 22% of prospective homebuyers struggling to afford average-priced homes. He stated rental unit prices climbed 20%, attributed to limited new construction, a robust job market, high-amenity multi-family units, and few rent-controlled units. He stated significant in-migration, especially from Oklahoma, Texas, and California, drove regional demographics, with a projected population growth of 40,000 residents over 20 years (or over 1.4% per year year). He noted an average Broken Arrow household earned \$78,000 dollars, surpassing the national average of \$73,000 dollars. He stated the household net worth exceeded the national average by \$37,000 dollars. He stated the resident survey indicated resistance to condominiums and apartments, but some were okay with "middle density" options in predominantly single-family areas. He noted Broken Arrow citizens were strongly in favor of single family homes and owner occupied homes. He stated Broken

Arrow might need to adjust policy to allow other housing types to come in to Broken Arrow. He stated over 4,000 residents took the survey and when asked how comfortable single family homeowners would be with the following types of housing being located in a single family home district these were the responses: Condominiums (owner-occupied): 12.5% were comfortable; apartments: 13.9%; townhomes: 34.9%; duplex or triplex: 37.4%; cottage neighborhoods: 49.7%; and accessory dwelling units (ADUs): 67.1%. He stated this showed Broken Arrow could bring in middle density housing to increase density, as opposed to apartments or condominiums. He noted Broken Arrow had a history of proactive zoning leading to positive change, and this could be used to bring in middle density to increase density in a positive manner. He reviewed a slide illustrating a "Housing Ladder" showing the importance of housing diversity in a City to provide options for individuals and families throughout their lifetimes as needs shifted.

Mr. Points reviewed a chart illustrating the historic population change from 1900 to 2023. He noted growth in Broken Arrow had been steady since 1970. He reviewed the chart illustrating the recent population change in Wagoner County and Tulsa County from 2010 to 2021. He stated based on these charts Points developed a population growth model for Broken Arrow from now until 2040. He stated close to 40,000 new residents were projected over the next 20 years. He stated Wagoner County was expected to account for around 29% of the City's population in 2040, compared to the current level of 18%.

Mr. Points reviewed the Housing Forecast. He stated Points developed three different forecasts: the status quo, the moderate density, and the infill scenario. He stated the status quo would see single family homes largely remain the predominant housing type, with 77% of the total housing stock in 2040 at 18,000 plus units. He stated the moderate density pattern placed greater emphasis on both small and large middle density options, such as duplexes, townhomes, attached and detached ADUs, condominiums, among others at 22,500 plus units. He stated the infill scenario represented the most multifamily-centered development pattern adding around 4,000 multifamily units. He stated Broken Arrow had 3,680 housing units in 1970; in 2020 Broken Arrow had roughly 40,000 housing units; in 2040 Broken Arrow would have between 49,000 housing units and 52,000 housing units. He displayed and discussed a housing forecast chart. He noted low income and subsidized housing was not included on this chart but was discussed in the report. He noted Broken Arrow had approximately 1,300 low income units and would need to add 300 units to keep pace with this number, or if Broken Arrow felt it was not offering enough low income housing it might need up to 1,200 units added based on the growth forecast.

Mr. Points reviewed the Housing Affordability Metrics. He stated there were four "C's" to buying a house: credit, capacity, capital, and collateral. He reviewed a cost-burdened homeowner chart. He stated 22% of existing Broken Arrow residents did not have the necessary income to buy homes, which meant 78% did. He noted Broken Arrow was currently an affordable place to purchase a home, but this would not last forever. He reviewed a cost-burdened renter chart noting 40% of renters were cost-burdened (paying one-third or higher of income towards rent), and most of these renters were low income renters. He reviewed a comparison of affordability chart comparing the change in housing values, change in income and change in rent. He noted the wages had kept up admirably with housing costs. He noted rental costs had not increased much, but this would not last.

Mr. Points discussed Community Benchmarking. He stated 36 peer cities were identified to compare with Broken Arrow. He reviewed a chart illustrating how Broken Arrow compared to these cities. He noted Broken Arrow was above average in single family home ownership, and home value appreciation. He noted Broken Arrow was below average in median monthly housing costs which was excellent, but again would not last forever. He noted if Broken Arrow wished to move in the direction of adding rental units to the City and bring down the percentage of single family homes, (or making other such changes), there were cities on the identified list it could speak with to better understand the city statistics and such.

Mr. Points reviewed Housing and Demographic Data. He reviewed a chart illustrating annual employment and wage growth rate; Broken Arrow was doing better than the state and the nation in most fronts in this regard. He reviewed an age and income chart and an age comparison chart noting Broken Arrow had the fewest residents aged 20-34 and aged 74 plus. He reviewed a school enrollment and housing impact chart noting single family homes had an average of 1.6 students per household whereas multifamily homes had an average of 1.4 students per household. He displayed an existing housing stock chart noting Broken Arrow had 81% single family homes. He reviewed an age of housing chart. He reviewed a chart illustrating housing permit trends. He displayed a map showing where building permits were issued from 2005 to 2022 noting south and east Broken Arrow had the highest concentration of development. He reviewed a home value trend chart noting Broken Arrow home values were rising but were rising at a rate lower than the national average. He reviewed a Tulsa County housing market trend chart. He discussed a building costs chart noting Broken Arrow building costs were approximately \$104 dollars per square foot which was 19% lower than the national average. He reviewed rental price trends and a map illustrating where higher

density housing was located in the City of Broken Arrow, as well as a map illustrating the number of housing units per square mile.

Mr. Points reviewed the Community Survey. He stated there were over 4,000 responses which was a 4.4% response rate which was excellent, and Points was confident this represented the actual sentiments of Broken Arrow residents. He explained how the statistics were calculated and why this survey was considered accurate. He discussed the responses to the question "Would you like to see the City of Broken Arrow's housing stock increase?" and 46% wanted to see more housing growth. He noted there was less conflict and rancor in the community of Broken Arrow than Points had seen in any almost any other community Points had conducted surveys in. He stated almost a third of Broken Arrow residents did not want to see more housing. He stated renters wished to see more housing development, as well as people under the age of 35 and over the age of 55. He noted long term Broken Arrow residents, homeowners, and those between the ages of 35 and 55 did not wish to see more housing development.

Vice Mayor Christi Gillespie stated those over age 55 have seen Broken Arrow growth and understood the benefits of growth.

Mr. Points reviewed the survey question "What should the City of Broken Arrow's role be in regulating the housing market?" He noted there was no clear consensus on this question. He reviewed the survey question "How do you want Broken Arrow to be defined over the next 10 years?" noting the general feeling was residents did not want Broken Arrow to be a big metropolis but would appreciate services and amenities. He reviewed the survey question "What has kept you in Broken Arrow?" noting answers included small town, community, home, affordability, safety, schools, and proximity to family and work. He reviewed the density related questions noting citizens in general were fine with all types of housing if kept within the appropriate or suitable area. He noted one third of respondents did not want to see multifamily housing at all, but a higher proportion of respondents were okay with multifamily housing in high density zones and areas behind commercial corridors. He noted the more single-family looking it was, the more comfortable citizens were with multifamily housing in lower-density areas, for example, cottage housing in moderate density areas; and ADUs in large and moderate density areas. He stated citizens were generally comfortable with dense housing options in "mixed use areas": 50% felt these areas were best for townhomes, duplex/triplex, and condos. He reviewed the last point of the survey which was additional thoughts or comments related to housing in the City of Broken Arrow. He noted residents were worried about infrastructure as the City grew, there were concerns about low income units, and there were concerns about overcrowding and too much growth.

Mr. Points reviewed Recommendations and Implementation. He displayed a Recommendations chart and discussed the following recommendations: support of nonprofit affordable housing organizations, offering classes on home buying, and community land trusts; centralizing affordable housing expertise by establishing a Housing Authority or Housing Committee; and waiving development fees for priority development types. He discussed the expected difficulty in implementing the above recommendations. He discussed the Recommendations for Planning for Housing needs including identifying priority development areas and the addition of middle density options in appropriate commercial fringe areas. He noted these recommendations would be easier to implement. He reviewed the Recommendation for Housing Diversity and Supply including increased allowance of multi-unit homes (allowing duplexes in all single-family (RS) districts which met certain criteria such as lot size and off-street parking requirements); increased density allowances; and cluster zoning (allowing developers to cluster homes on a portion of a property while preserving open space).

Vice Chair Robert Goranson asked if Mr. Points' reference to low density, middle density and high density were based on national zoning, or Broken Arrow zoning.

Mr. Points stated Broken Arrow currently had single family, two family and multifamily only in the zoning code while most of the code he was familiar with referred to middle density.

Vice Mayor Gillespie asked if Mr. Points worked with any municipalities which restricted corporations from taking over neighborhoods and buying single family homes.

Mr. Points responded in the negative noting he felt this would be legally difficult to restrict, but it was a problem in some places.

Vice Mayor Gillespie stated she did not feel Broken Arrow would support a nonprofit affordable housing organization, but she liked the idea of encouraging first time homebuyers and offering a program which might explain the process of homebuying. She asked if Mr. Points worked with a municipality which specifically assisted first time homebuyers.

Mr. Points responded there was a best practice included in the Report taken from another

municipality in Oklahoma.

Mr. Mark Zitzow of Johnson & Associates stated Oklahoma City had community housing organizations with programs finding homebuyers, educating homebuyers, and working through the Oklahoma Housing Finance Authority with a first time homebuyer credit. He stated the nonprofit entity worked with city staff to tailor the program to what Oklahoma City wanted.

Vice Mayor Gillespie indicated she would like to speak with whomever was in charge of this program and asked if she could be given his or her contact information.

Commissioner Jason Coan noted there was often a misconception or belief that when you added apartments, your crime increased, which was one reason residents did not like apartments. He asked if Mr. Points came across anything which indicated the crime rates for 300 versus 300 apartments were the same, higher, or lower.

Mr. Points indicated he had not come across any such information.

Vice Chair Goranson asked how short term rentals factored in.

Mr. Points indicated he left short term rentals out of the presentation for time constraint purposes. He stated Broken Arrow had a growing short term rental market and investors would continue to invest in short term rentals; however, short term rentals were not affecting the current Broken Arrow market. He noted Points was working with a place in Alaska where the short term rentals made up 8.5% of the housing stock which was a large number and began to take units away from residents in favor of other uses.

Vice Mayor Gillespie noted the City had an ordinance in place restricting how close short term rentals could be with each other.

Mr. Points stated short term rentals in Broken Arrow were such a nonissue at this point he did not feel it was important enough to talk about. He noted short term rentals would continue to increase and enforcement would become an issue in the future. He stated currently short term rentals in Broken Arrow make up far less than 1% of the housing stock.

Vice Chair Goranson noted he understood most short term rentals improved neighborhoods as the homes had to be kept looking nice in order to continue to be profitable.

Council Member Parks stated the police department would provide the data regarding the crime rates in the apartments versus single family zoning areas.

Commissioner Coan thanked Council Member Parks.

Vice Mayor Gillespie thanked Mr. Points for his presentation.

6. Remarks and Inquiries by Governing Body Members

Council Member Green stated he felt this was an excellent study and should be considered while moving forward with City updates.

Vice Mayor Gillespie agreed and stated she was certain she would have lot of questions after she took the report home and processed it.

Commissioner Mindy Payne stated she appreciated the Study and the information it provided which would be an excellent tool moving forward.

7. Remarks and Updates by City Manager, including Recognition of Recent Accomplishments by Employees and Elected Officials

Council Member Parks asked if City Manager Spurgeon had indicated how this Study would be incorporated.

Assistant City Manager of Operations Kenny Schwab stated he believed the remaining steps were to take the input from this meeting and from staff, and finalize the Report, and then there would be a final presentation of the Report with recommendations to Planning Commission and City Council. He stated he believed this would be done in four to six weeks.

8. Adjournment

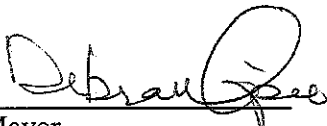
The meeting was adjourned at approximately 6:37 p.m.

MOTION: A motion was made by Lisa Ford, seconded by Justin Green.

Move to adjourn

The motion carried by the following vote:

Aye: 4 - Justin Green, Lisa Ford, Johnnie Parks, Christi Gillespie



Mayor



City Clerk

