



Tenants to Homeowners, Inc. dba The Lawrence Community Housing Trust
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Lawrence City Commission
c/o Tom Markus
PO Box 708
Lawrence, KS 66044

Dear City Commissioners,

I am writing to request that the Lawrence City Commission direct the Planning Department to draft an Affordable Housing Density Bonus Ordinance. The proposed ordinance would allow affordable housing developers to reasonably increase density for permanently affordable units.

Ever rising lot costs have become one of the greatest challenges to affordable development. A reasonable density bonus would reduce lot costs and demand affordable housing developers pass that savings on through reduced prices and rents.

Over the past year, LCHT has been working with Scott McCullough and the Planning staff to identify approaches to increase density for affordable developments. We have tried utilizing the accessory code, but since LCHT uses a unique shared-equity ownership approach to protect our affordable subsidy, the accessory code would not allow us to build an accessory dwelling unit. Because the organization owns the land under all its affordable housing units, we could not even sell a home and ADU to the same family, under the current code.

While the RS3 zoning is available as an option for new development, this does not lower land costs as efficiently as allowances for affordable housing density bonus' on infill development. First, because new development requires streets, sewers and all the other costs that add to the price of a lot. Even with increased density options like RS3 zoning, there is no current RS3. Creating a new development of RS3 zoning is an option, but requires a big project. Therein lies the problem—Every study suggests that the best way to develop affordable housing is to disperse it throughout all neighborhoods in a community. This provides neighbors opportunities to learn from each other, allows natural social supports for those with limited resources and provides opportunities for mentoring and educating the next generation. Lawrence tries to be an equitable community, but our affordable housing tends to be bunched together and highly concentrated in some neighborhoods instead of evenly scattered in all neighborhoods. We can do better.

An increasing number of residents (millennial and our aging population) are seeking minimal square footage, intergenerational housing, increased affordability, and energy efficiency. These are national trends and Lawrence is no different. The houses being proposed by LCHT (750 sq. foot) would be built two to a lot maintaining all current

requirements for setbacks, mass, scaling, and architectural design. If we can build two separate shared-equity ownership houses on one lot or housing with an ADU on LCHT stewarded lots, we would create affordability without additional subsidy. We understand that even if the city supports our affordable housing goals, we do not want to create unwanted density or development which does not create permanently affordable housing. So LCHT requests that the commission direct city manager Tom Markus and staff to look at best practices and create an ordinance or text amendment that would allow permanently affordable housing projects to be eligible to build at greater than the base density of any current lot.

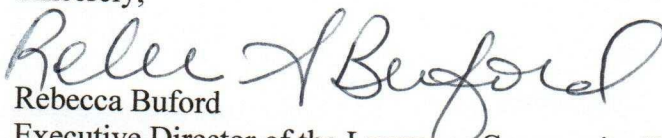
The numbers cannot be argued. LCHT homes currently have an average of \$31,000 worth of subsidy in them to make them affordable. If we can build two smaller houses on a single lot costing \$50,000—we just cut our lot cost from 50,000 to 25,000 (per house) and created the subsidy we needed along with the lower cost of a smaller footprint floorplan. With this reasonable density, someone making less than 80% of Median Family Income for a household of 1 can have a new, energy-efficient small house at \$25,000 below market value. This creates affordability without additional subsidy and would be retained by the community permanently. The Lawrence public recognizes the need for affordable housing and expects us to deliver units. We need a multifaceted approach that includes reasonable increases on density (like smaller houses). The ability to develop two small homes on one lot would allow affordable housing developers like LCHT to maximize resources, including the new sales tax funding.

LCHT has served the Lawrence community for 26 years helping over 400 families become homeowners. LCHT currently stewards 81 trust homes throughout Lawrence and has never had a foreclosure. Neighborhoods are exceptionally pleased with LCHT new construction. One homeowner who lived on a block where LCHT developed 5 new family homes said, “You have brought life back to our neighborhood.”

We propose a density bonus policy that would serve the families that meet the definitions of affordability already adopted by the city. In an effort to limit increased density to serve an affordable housing purpose, we would request a permanent affordability requirement to ensure that the value created by the increased density is passed on to families who need housing and continue to work for the community in perpetuity. In practicality, this means there would have to be a steward of any ownership program and rentals would have to serve targeted incomes to maintain the density. Many organizations in Lawrence do this well and if for-profit developers used the density bonus they could partner with organizations like LCHT to steward these resources.

The proposed density bonus is a win-win for the community. It supports development of more affordable housing without overtaxing limited resources—both subsidy dollars and city infrastructure. Smart density allows for a greater number of people to be housed with fewer resources. Small, green, owner-occupied homes make perfect sense for Lawrence.

Sincerely,



Rebecca Buford

Executive Director of the Lawrence Community Housing Trust

Thinking Smaller

Density bonus incentives for affordable housing

From Spokane to L.A., from Denver to Washington D.C. municipalities across the country are making way for greater infill and new development through small-home zoning and density bonus incentives.

Density bonuses being used by these communities create incentives for developers to provide public amenities in exchange for greater density than allowed under existing zoning.

Spokane Washington, a city of 211,000 residents is currently working on promoting tiny homes and cottage developments while also loosening setback requirements and amending floor area ratio standards. Tiny home and cottage housing developments are creating denser infill via density bonuses.

Spokane city council president Ben Stuckart sees this approach as a key way to create denser infill, bolster the tax base and improve affordability all while creating mixed income neighborhoods. "In addition, density and infill are less taxing than sprawl on your physical services -water. Police, fire, roads, it's always cheaper to provide those services within the city"

Stuckart says **the tiny house density bonus is meant primarily to serve nonprofit affordable housing developers who might now be able to build affordable housing villages.**

Langley Washington is following in the footsteps of Utah by adopting the 2018 international Residential Code for one and two family dwellings. The draft policy document includes provisions for small houses and addresses dimensions of habitable lofts, as well as ways to safely access and exit them.

Langley also developed the first contemporary pocket neighborhood setting the stage for all others that followed. It demonstrated that eight smaller cottages have less impact than four large homes on the same site. It also confirmed there is a market for cottages designed for one and two person households in a community-oriented setting.

Langley's "Third Street Cottages" is a community of eight detached cottages located on four standard single-family lots. The homes are approximately 650sf with lofts up to 200 sf, and are conveyed as condominium ownership. They are situated around a shared garden with a Commons building and toolshed. Parking is detached and open and every resident has a storage room.

The American Planning Association's Smart Codes: Model Land Development Regulations suggests two models for affordable housing ordinances:

1. A mandatory alternative in which affordable housing is required in all development that produces new residential units.
2. An incentive-based approach in which a density bonus of one additional unit for each affordable unit is offered as of right.

Density Bonus

The United States Supreme Court has established a test to determine the constitutionality of zoning ordinances. (7) Under the test, a zoning ordinance must not be arbitrary and unreasonable and it must have a substantial relationship to the public health, safety, morals or general welfare. (8)

Density bonuses create incentives for developers to provide public amenities in exchange for greater density level than allowed under existing zoning.

TOOL DESCRIPTION

A density bonus is an incentive-based tool that permits developers to increase the maximum allowable development on a property in exchange for helping the community achieve public policy goals.

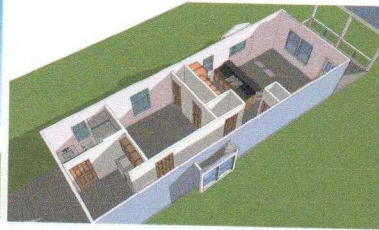
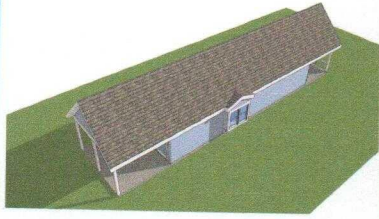
Increasing development density may allow for increases in developed square footage or increases in the number of developed units. This tool works best in areas where growth pressures are strong and land availability limited or when incentives for attaining the goals outweigh alternative development options.

Center for Land Use Education: <https://www.uwsp.edu/cnr-ap/clue/Documents/PlanImplementation/Density Bonus.pdf>

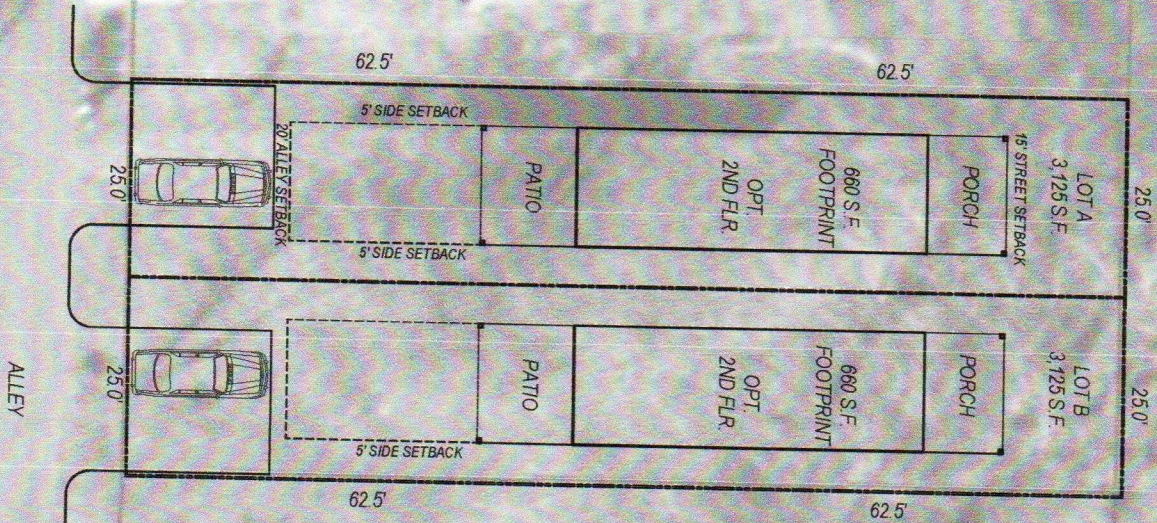
Low Income Housing

Density bonuses are often used to increase the supply of affordable housing for low income or senior households. Density bonus ordinances permit developers to increase the square footage or number of units allowed on a piece of property if they agree to restrict the rents or sales prices of a certain number of the units for low income or senior households. The additional cash flow from these bonus units offsets the reduced revenue from the affordable units.

Center for Land Use Education: <https://www.uwsp.edu/cnr-ap/clue/Documents/PlanImplementation/Density Bonus.pdf>



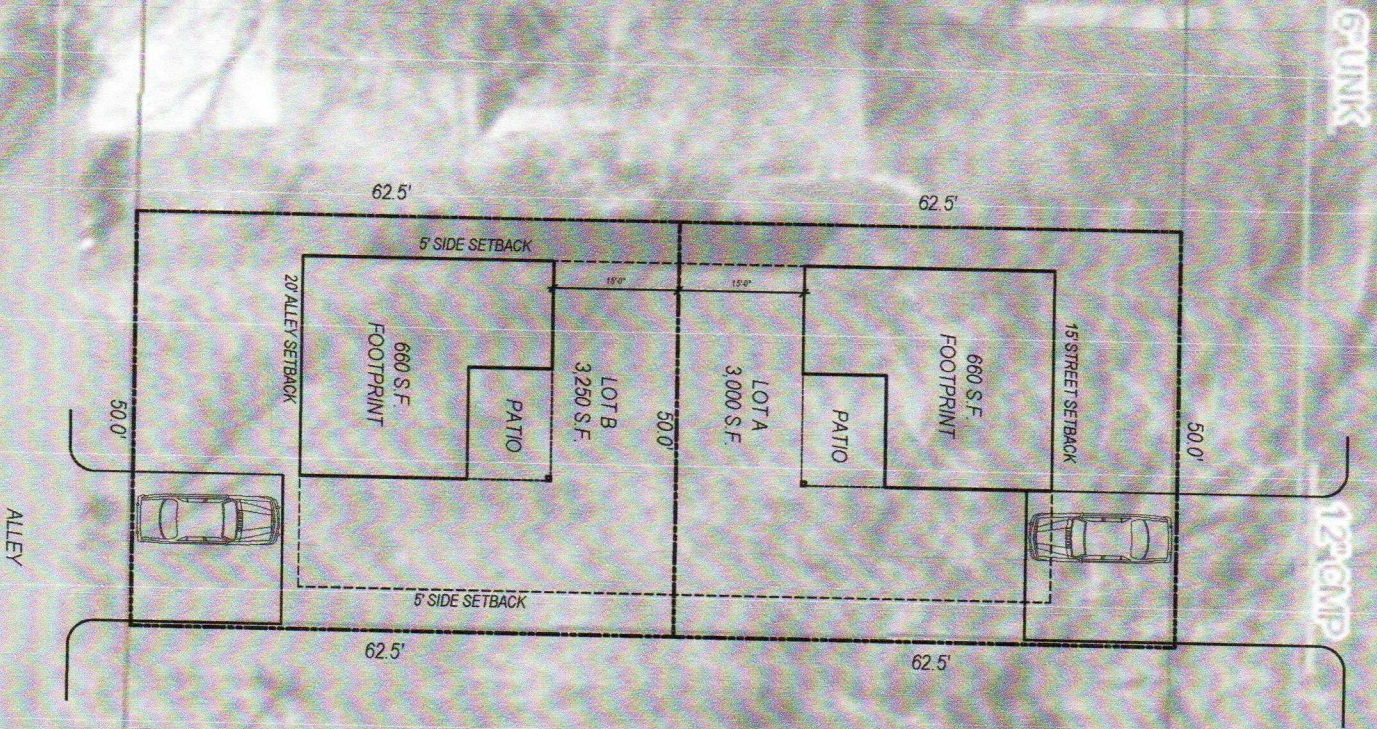
EXAMPLE OF 2 HOUSES ON 6,250 sq ft LOT



REZONE TO RS-3
FRONT TO BACK SPLIT

MIN. LOT AREA = 3,000 S.F.
 ACTUAL LOT AREA = 3,125 S.F.
 MIN LOT WIDTH = 25 FEET
 ACTUAL LOT WIDTH = 25 FEET
 MIN. LOT FRONTAGE = 25 FEET
 ACTUAL LOT FRONTAGE = 25 FEET
 MINIMUM FRONT SETBACK = 15 FEET
 ACTUAL FRONT SETBACK = 15 FEET
 MINIMUM REAR SETBACK = 20 FEET
 ACTUAL REAR SETBACK = 44 FEET
NO VARIANCES REQUIRED

EXAMPLE OF 2 HOUSE SITE PLAN ON RS-7 LOT



6' UNK

12' COMP

8' d. 1922

12' COMP

REZONE TO RS-3
SIDE TO SIDE SPLIT
TREAT ALLEY AS STREET

MIN. LOT AREA	= 3,000 S.F.
ACTUAL LOT AREA	= 3,000 S.F. & 3,250 S.F.
MIN LOT WIDTH	= 25 FEET
ACTUAL LOT WIDTH	= 50 FEET
MIN. LOT FRONTAGE	= 25 FEET
ACTUAL LOT FRONTAGE	= 50 LOT A, 0 LOT B
MINIMUM FRONT SETBACK	= 15 FEET
ACTUAL FRONT SETBACK	= 15 FEET
MINIMUM REAR SETBACK	= 20 FEET
ACTUAL REAR SETBACK	= 20 FEET

VARIANCES REQUIRED
ZERO FRONTAGE LOT?



Home Builders Association
Building Our Community *STRONGER*

September 7, 2018

Scott McCullough, Planning Director
City of Lawrence
Planning and Development Services
P.O. Box 708
Lawrence, KS 66044

Dear Scott,

The LHBA is optimistic that efforts to address the affordable housing needs in the Lawrence community will be successful due to the Affordable Housing Advisory Board's and your action to research and develop a plan. Understanding the specific housing needs is critical to addressing them.

Creating a "toolbox" of strategies will benefit everyone involved in the production of affordable homes. Multiple strategies – used in a variety of combinations – are needed to close financing gaps and make projects viable. Your recent statement that the development community should not bear the burden of providing affordable housing was very much appreciated as we believe affordable housing is a community-wide issue that calls for community-wide solutions. Engaging in incentivized public-private partnerships will yield far more affordable homes than relying on particular segments of the population, organizations or industry to provide.

We would like to offer some suggestions to consider for the toolbox.

- Incentive Housing Zone. An Incentive Housing Zone would target areas deemed appropriate for higher density. This Zone would allow *density bonuses* in exchange for permanently affordable homes. In an Incentive Housing Zone, the opportunity to receive density bonuses would be administratively approved if the trade-off conditions were met.
- Revolving Financing Fund for Workforce Housing. The Housing Trust Fund could set up a local finance program to provide assistance to *employed* renters whose income can support a monthly house payment and associated expenses for an affordable home but who lack the down payment for the purchase.
- Innovation Incentives. If a project is presented that provides permanent affordable housing and offers an innovative neighborhood or housing design, it could qualify for

incentives that relax some of our development regulations. Reducing regulations that do not contribute to the life, safety, or welfare of citizens would further improve the affordability of homes. For example, only require sidewalks on one side of the street or allow 4' sidewalks rather than 5' sidewalks; reduce the number of required street trees; allow smaller lots/homes; reduce sets backs; waive system development charges, etc.

Developers and builders could be significant contributors in the effort to provide Lawrence's affordable housing on a large scale if incentivized. Encouraging all housing providers through public-private partnerships will increase affordable housing and take much of the pressure off public resources.

We look forward to working with you to identify additional suggestions for the toolbox.

Sincerely,



Bobbie Flory
Executive Director