

# City of Lawrence, Kansas Affordable Housing Advisory Board



## 2016 Annual Report



City of Lawrence

# **City of Lawrence Affordable Housing Advisory Board**

## **Chair**

Matt Sturtevant

## **Vice-Chair**

Shannon Oury

## **Board Members**

Emmanuel Birdling, Stuart Boley, Rebecca Buford, Erika Zimmerman,  
Dana Ortiz, Nancy Thellman, Tim Stultz

## **Staff Liaisons**

Casey Toomay, Assistant City Manager  
Scott McCullough, Director Planning and Development Services  
Danelle Dresslar, Community Development Manager  
Bradley Karr, Programs Analyst  
Jeff Crick, Long-Range Planner

# Background

Pursuant to Ordinance 9129, the Affordable Housing Advisory Board, “shall make an annual report to the Governing Body, no later than March 1 of each year, recounting Board activities of the preceding calendar year. Such report shall, at a minimum, disclose all financial transactions involving monies raised and received by the Board, including gifts and donations, and all projects which the Board recommended and for which the Governing Body approved expenditures of money from the Affordable Housing Trust Fund. The annual report shall be filed with the City Clerk.”

## Summary of 2016 Board Activities

### Defining Affordable Housing

*In general, affordable housing is defined as housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities.*

*In 2016, the Affordable Housing Advisory Board established additional definitions of affordable housing:*

#### **Affordable Rental Housing**

*Housing units with monthly rent and utilities not exceeding 110% of the HUD defined Fair Market Rent, as determined yearly by the Lawrence Douglas County Housing Authority.*

#### **Affordable Ownership Housing**

*Housing units for those earning up to 80% of Median Family Income, as established yearly by HUD for the Lawrence, KS MSA.*

At their January meeting, the Board adopted bylaws and selected Matthew Sturtevant to serve as Chair and Shannon Oury to serve as Vice-Chair. The board also forwarded a recommendation to the City Commission to distribute a Request for Proposals for an affordable housing demonstration project for the \$100,000 included in the City's 2016 Operating and Capital Improvement Budget. Distribution of the RFP was authorized by the City Commission and one response was received.

In February, the Board met to review the demonstration project proposal received. They forwarded a recommendation to the Commission and the Commission approved the project in March. More information on the demonstration project can be found later in this report.

In March, the Board also provided a recommendation to the City Commission for parameters for a housing voucher program through the Lawrence Douglas County Housing Authority. The program would give the LDCHA \$100,000 to use for vouchers for individuals residing at the Lawrence Community Shelter. The vouchers would be focused on families and Douglas County residents, with the program structured to provide housing for a period of 24 months. Those parameters were approved by the City Commission. Additional information on the status of this program can be found later in this report.

In April, the Board heard from new City Manager Tom Markus about affordable housing efforts he has been involved in in his career. They heard from Dan Partridge, the Executive Director of the Lawrence Douglas County

Health Department, about how housing can impact health. The Board also continued their discussion about potential funding sources for affordable housing.

At their May meeting, the Board decided to recommend the Commission set the amount of funding for affordable housing for 2017 and that the Board would then develop a recommendation on how to spend those funds at a later date. The Board also began discussion of a five year wish list regarding affordable housing in Lawrence.

That discussion continued in June, along with discussion about the City's Economic Development Policy and changes to that policy related to affordable housing. The board provided a number of recommendations regarding the affordable housing components of the proposed policy.

In July, the Board decided to hold a retreat to establish their strategic goals, their mission, and their vision. They also discussed their role in reviewing development projects in anticipation of receiving presentations from two pending development projects that the Commission referred to the Board.

At their August meeting, the Board heard about a grant proposal that the community would be submitting to the Kansas Health Foundation regarding capacity to solve a community issue that related to health disparities, including housing. The board also finalized plans for their retreat.

In September, the Board held the retreat and an additional meeting. The board considered the criteria they would use to review the affordable housing component of the two projects with pending tax incentive requests pending adoption of the new policy on tax incentives.

At their October meeting, the Board recommended the Commission write a letter of support for the Kansas Health Foundation grant application previously discussed. The Commission did approve the letter of support but unfortunately the application was not successful. The board heard presentations from two projects requesting tax incentives that included affordable housing components. The Board recommended both the projects, one for a mixed use development at 815 Vermont and the other for a mixed use development project at 8th and Pennsylvania, to the City Commission. The Board also made further recommendations to the City Commission on the proposed economic development policy.

In November, the Board finalized and approved a mission statement and vision statement. The Board also revisited the goals and action steps they identified at their retreat. The Board approved a staff recommendation that requests for resolutions of support for Low Income Housing Tax Credit applications be administratively reviewed and considered by the City Commission. Projects asking for tax incentives or housing trust fund support will continue to be reviewed by the Board.

At their December meeting, the Board finalized and approved their goals and action steps, which can be found attached to this report.

## Establishing a Vision & Mission

*In 2016, the Affordable Housing Advisory Board adopted vision and mission statements.*

### *Vision Statement*

*"Opportunity for affordable housing and supportive services for everyone in Lawrence"*

### *Mission Statement*

*"The mission of the Affordable Housing Advisory Board is to recommend to the City Commission on ways everyone in Lawrence has access to safe, quality, affordable housing and supportive services necessary to maintain independent living with dignity."*

# 2016 Project Status

The Board recommended and the City Commission approved two significant projects related to affordable housing in 2016 – The Housing Demonstration Project and a Transitional Housing Voucher Program.



## Housing Demonstration Project

Through this program, Lawrence Habitat for Humanity and Lawrence Tenants to Homeowners each received \$50,000 to build three permanently affordable homes.

Recommended by the Affordable Housing Advisory Board and approved by the City Commission, the project is a partnership of five nonprofit agencies – Tenants to Homeowners, Habitat for Humanity, Family Promise, Lawrence Douglas County Housing Authority, and Willow Domestic Violence Center.

The \$100,000 of City funds is expected to leverage an additional \$350,000 of state and federal funds as well as private donations.



908 La Salle Street was previously home to a blighted property. Now, two detached family-sized rental properties are being built on the site along with one home that will be sold to an eligible Habitat for Humanity family. All three affordable homes are expected to be complete in early 2017.



### Transitional Housing Voucher Program

Through this program, the Lawrence Douglas County Housing Authority (LDCHA) received \$100,000 from the Affordable Housing Trust Fund, to provide transitional housing vouchers.

Recommended by the Affordable Housing Advisory Board and approved by the City Commission, a preference was given for people living at the Lawrence Community Shelter. Preferences were also given to families with children who were residents of Douglas County.

In addition to the City funds, LDCHA received \$50,000 from Douglas County for this voucher program. The vouchers have been distributed and will provide 24 months of transitional housing to seven households, including 19 children.

According to Shannon Oury, Executive Director of the LDCHA, "the ability to house families with these special funds for the Lawrence Community Shelter, and the additional funds awarded through the HOME grant, has enabled the LDCHA to house more families more quickly."

These funds have also had an impact on the waiting list for transitional housing in the community. At the beginning of 2016, there were 46 households on the Transitional Housing waiting list. As of February 1, 2017, there are only 33 households on the list and nine households with a HOME voucher looking for a unit.

### Resolutions of Support for Low Income Housing Tax Credit Applications

While not an action of the Affordable Housing Advisory Board, the City Commission also approved two Resolutions of Support for Low Income Housing Tax Credits (LIHTC).

In January, the Commission adopted Resolution No. 7150, supporting Wheatland Investments Group, LLC's 2016 Low Income Housing Tax Credit application to the State of Kansas for The Estates of Lawrence, affordable rental housing for families, to be located at 1356 East 1600 Road. Unfortunately, the application was unsuccessful.

In December, the Commission adopted Resolution No. 7179, supporting Wheatland Investments Group, LLC's 2017 Low Income Housing Tax Credit application to the State of Kansas for The Estates of Lawrence. The awards for the 2017 LIHTC program are expected in May of 2017.

## Financial Transactions

The table below summarizes the financial transactions of the Affordable Housing Trust Fund in 2016. The table shows the beginning fund balance as of January 1, 2016.

In 2016, Revenues totaled \$177,531 and included a transfer of sales tax proceeds in the amount of \$100,000, interest income of \$507, and donations totaling \$77,024. The largest donation came from the developers of a mixed use development project at 8<sup>th</sup> and New Hampshire.

### Demonstrating Success

*In 2016, the Affordable Housing Advisory Board recommended and the City Commission approved an Affordable Housing Demonstration Project as well as a Transitional Housing Voucher Program.*

Affordable Housing Trust Fund Summary\*

Beginning Balance (as of 1/1/16)	\$102,672
Revenues	\$177,531
Expenditures	\$200,000
Revenues over Expenditures	\$(22,469)
Ending Balance (as of 12/31/16)	\$80,293

\*unaudited

Expenditures in 2016 totaled \$200,000, and included the following:

- \$50,000 to Tenants to Homeowners for the Housing Demonstration Project;
- \$50,000 to Lawrence Habitat for Humanity for the Housing Demonstration Project; and
- \$100,000 to the Lawrence Douglas County Housing Authority for the Transitional Housing Voucher Program.

The ending balance as of December 31, 2016 in the fund is \$80,293.

## Membership Changes

In November of 2016, Erika Zimmerman replaced John Harvey as the representative of Lawrence Habitat for Humanity on the Board. The terms of three of the original board members, Commissioner Stuart Boley, Dr. Emmanuel Birdling, and Rebecca Buford, expired as of December 31, 2016. Commissioner Boley and Ms. Buford were reappointed to the Board. As of the writing of this report, the vacancy created by Dr. Birdling has yet to be filled.

## Goals and Action Steps for the Affordable Housing Advisory Board Adopted January 2017



For the Affordable Housing Advisory Board to advocate or build community support for increased CIP funding, and other funding sources, during City budget process for 2018 and beyond.

- a. Build support within community organizations – strength in numbers.
- b. Build support by being successful with 2017 money
- c. Partner with other profit and non-profit organizations and invite them to the table to help be part of the solution. Create a list of community partners by the end of February 2017



The Affordable Housing Advisory Board will identify five funding sources for the affordable housing trust fund, not including those already in the CIP, by first quarter of 2017.

- a. Research other peer cities for existing models
- b. Research federal and state sources to leverage trust fund dollars
- c. Lobby state and federal legislators to reshape or create new funding sources
- d. Seek local, state and national grants
- e. Identify and recommend a proactive incentive policy that automatically applies if certain triggers are met



Leverage the current CIP proposed Housing Trust Fund allocation 6-1 (\$9Million/\$125K per unit) to create more units of affordable rental housing, first time homebuyer homes, and supportive services within five years.

- a. Update CHAT report within 2017
- b. Develop RFP's for small projects and/or land/multiple pieces of land
- c. Track and publicize in the Board's annual report the dollars leveraged by the expenditures from the affordable housing trust fund over the next five years to create more units of affordable rental housing, first time homebuyer homes, and supportive services



Expand the Affordable Housing Advisory Board to include up to three more seats for partners such as The Chamber, KU, and Lawrence Board of Realtors by the end of 2017.

- a. Call the three organizations and invite them to the board
- b. Amend the by-laws to allow an expanded board
- c. Recommend the new appointments to the City Commission
- d. City Commission would vote to approve the new positions on the Affordable Housing Advisory Board

## Goals and Action Steps for the Affordable Housing Advisory Board Adopted January 2017



Develop a specific allocation plan based on the Affordable Housing Advisory Board mission, vision, and goals for the 2017 CIP Trust Fund allocation for review by the City Commission by the end of the first quarter of 2017.

- a. Define and prioritize the Affordable Housing Advisory Board goals
- b. Develop a process for review and approval of allocation
- c. Develop an RFP process for approval of projects to spend 2017 funds not allocated for spending in future years
- d. Review and recommend proposals to City Commission



The Affordable Housing Advisory Board will work with developers and builders to reduce cost of housing by 5% over 24 months.

- a. Discuss with developers and financiers to understand the issue
- b. Identify places in the process for cost reduction
- c. Analyze impact on unit costs
- d. Recommend policy changes to City Commission



Within 2017 use the analytics of the 2006 CHAT report to prepare an updated inventory of the housing stock required to meet affordable housing needs, the amount of time needed to meet the needs, with a final goal of meeting the need in 10 years.

- a. Decide who will conduct CHAT report
- b. Chosen entity will conduct updated report
- c. Use updated report to meet determined need



Adopt the following definition of affordability to be used by the Affordable Housing Advisory Board by the end of February 2017.

- a. Rental housing units with monthly rent and utilities not exceeding 110% of the HUD defined Fair Market Rent, as determined yearly by the Lawrence Douglas County Housing Authority;
- b. Homeownership housing units for those earning up to 80% of Median Family Income, as established yearly by HUD for the Lawrence, KS MSA.