*Preliminary renderings for the community mental health facilities- which will include a mental health crisis center, the Bert Nash Bridges transitional housing facility which was supported in part with City housing trust funds, and the Lawrence-Douglas County Housing Authority housing project for 10 cottages for men on the campus.
City of Lawrence
Affordable Housing Advisory Board

Chair
Shannon Oury

Vice-Chair
Ron Gaches

Board Members
Andrew Brown, Rebecca Buford, Susan Cooper, Edith Guffey, Thomas Howe, Dana Ortiz, Monte Soukup, Tim Stultz, Nancy Thellman, Sarah Waters, Erika Zimmerman

Staff Liaisons
Diane Stoddard, Assistant City Manager
Scott McCullough, Director Planning and Development Services
Danielle Buschkoetter, Budget and Strategic Initiatives Manager
Jeff Crick, Planning Manager
Danelle Walters, Community Development Manager
Brad Karr, CDBG Program Analyst
Background

Pursuant to Chapter 1, Article 18 of the code of the City of Lawrence, KS, 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 2018 Board Activities

Establishing a Vision & Mission

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 make recommendations 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."

Comprehensive Housing Market Study

In 2017, the Affordable Housing Advisory Board made a recommendation to the City Commission to conduct a professional, comprehensive housing study to update the 2005 CHAT report and gain more data about the affordable housing needs in Lawrence. This data would be used to develop strategies on how to direct funds to address housing affordability.

A Request for Proposals was issued to contract with a consulting firm experienced and qualified in housing market data collection and analysis. The comprehensive housing market study would highlight expected demographic trends, future demands for housing, regulations, and obstacles preventing the market from effectively responding to this demand, and an inventory of the assets and programs currently available to help the community address these challenges.

BBC Research & Consulting, Inc. was selected to conduct the housing study, to begin in early 2018. The Housing Market Analysis was completed in August 2018.

The findings of this study were presented to the Affordable Housing Advisory Board, the Lawrence City Commissioners and the residents of Lawrence. The findings of this Comprehensive Housing Market Study will help determine a long-term strategy for meeting the housing needs, including the existing conditions, obstacles, and opportunities within the City housing market.
Affordable Housing Trust Fund Awards

In 2018, the AHAB recommended awarding carryover 2017 funds and the full allocation of 2018 funds, for a total of $495,000, to Bert Nash Community Mental Health Center to construct an 8-12 bed transitional housing and mental health recovery facility.

The City Commission authorized an additional $200,000 in funding for the Affordable Housing Trust Fund for the 2018 revised budget. Based on City Commission direction, the Affordable Housing Advisory Board issued a Request for Proposals for funding of non-capital projects and services. The Affordable Housing Advisory Board conducted one round of application review for the purpose of recommending projects in line with the 2018 RFP.

The Affordable Housing Advisory Board (AHAB) received applications at its meeting on December 10, 2018. The AHAB unanimously approved a recommendation to fully fund the case management services related to both the Tenants to Homeowners, Inc./Willow Domestic Violence Center proposal and the Lawrence-Douglas County Housing Authority/Family Promise of Lawrence proposal, funding the Tenants to Homeowners, Inc./Willow Domestic Violence Center proposal at a total of $90,000 (full request) and the Lawrence-Douglas County Housing Authority/Family Promise of Lawrence proposal at a total of $110,000 (partial request).

- **Tenants to Homeowners, Inc. and The Willow Domestic Violence Center** - Building Stability - a partnership between KU Endowment, TTH and Willow to create transitional housing and affordable permanent rentals for survivors of domestic violence. The application for funding lists a leveraging ratio of $1.94 to every $1 from the housing trust fund.
- **Lawrence-Douglas County Housing Authority and Family Promise of Lawrence** – New Horizons Transitional Housing Program - rent assistance and case management services. The application for funding lists a leveraging ratio of $1.65 to every $1 from the housing trust fund.

Update to Goals and Action Steps

The Affordable Housing Advisory Board adopted a set of Goals and Action Steps in January 2017. Updates to these goals have been made as follows:
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

Update:

a. **Goal:** Build support within community organizations – strength in numbers
   **Performance:** The board continues to work with community organizations to build support.

b. **Goal:** Build support by being successful with 2017 money
   **Performance:** The AHAB recommended two projects with 2017 funds:
   - $75,000 to Lawrence Habitat for Humanity for the construction of two houses. The application for funding lists a leveraging ratio of $6 for every $1 from the housing trust fund.
   - $30,000 to Tenants to Homeowners, Inc. to match state grant funds to support a three-unit rental development in Lawrence. The grant funds from the City were set aside pending the HOME grant award. The HOME grant was subsequently awarded to Tenants to Homeowners, Inc. so that they could proceed with the project. The application for funding lists a leveraging ratio of $16.67 for every $1 from the housing trust fund.

The City Commission authorized these projects at its meeting on January 16, 2018. The Lawrence Habitat for Humanity homes have been constructed. The Tenants to Homeowners Inc. project will soon be underway.

c. **Goal:** 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.
   **Performance:** The AHAB created a list and approved a letter to community partners at the February 13, 2017 meeting. The AHAB also identified stakeholders who were engaged as part of the Housing Study.
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
   
   **Performance:** Staff provided the AHAB with a table describing existing models used by other cities. Justice Matters presented the AHAB with some research of peer communities during the **August 2018 AHAB meeting**.

b. **Goal:** Research federal and state sources to leverage trust fund dollars
   
   **Performance:** Not yet completed

c. **Goal:** Lobby state and federal legislators to reshape or create new funding sources
   
   **Performance:** The City of Lawrence adopted as part of its annual Legislative Priority Statement a position encouraging state support for affordable housing initiatives.

d. **Goal:** Seek local, state and national grants
   
   **Performance:** The City Commission authorized the utilization of $30,000 in Housing Trust Funds to match an application by Tenants to Homeowners, Inc. which would leverage state allocated HOME funds and national Housing Trust Funds to provide assistance in constructing three affordable rental homes. The HOME grant was received by Tenants to Homeowners, Inc. during 2018. The application for funding lists a leveraging ratio of $16.67 for every $1 from the housing trust fund.

e. **Goal:** Identify and recommend a proactive incentive policy that automatically applies if certain triggers are met
   
   **Performance:** Staff provided the AHAB with a memo outlining nine funding sources and a proactive policy that automatically applies if certain triggers are met. The AHAB voted to recommend six funding sources and expressed support for a new proactive policy at the May 2, 2017 City Commission meeting.
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.  **Goal:** Update CHAT report within 2017  
   **Performance:** In August 2018, BBC Research & Consulting completed the Housing Market Analysis. A number of meetings of the AHAB was dedicated to input and discussion about the study during 2018.

b.  **Goal:** Develop RFP’s for small projects and/or land/multiple pieces of land  
   **Performance:** The AHAB decided to use an application process to apply for the 2017 Housing Trust Fund allocation rather than issue an RFP. The AHAB approved an application for funding at the May 8, 2017 meeting. Additionally, an application process was also utilized for remaining 2017 funds and budgeted 2018 funds, which were considered by AHAB in December 2017. The recommendations were received and projects authorized by the City Commission at its January 16, 2018 City Commission meeting.

c.  **Goal:** 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  
   **Performance:** Staff is working on creating an enhanced web page for the review of all projects and funding from the trust fund, including a summary of leverage. Meanwhile, a summary of funded projects and various progress reports appear on the AHAB website under the Additional Resources section.
Update:

a. **Goal:** Call the three organizations and invite them to the board  
   **Performance:** All three positions were added to the board in 2018.

b. **Goal:** Amend the by-laws to allow an expanded board  
   **Performance:** The ordinance and bylaws of the board were amended to enable the expanded board during 2018.

c. **Goal:** Recommend the new appointments to the City Commission  
   **Performance:** On March 6, 2017 the AHAB approved a memo to the City Commission to recommend adding additional members. The recommendation was presented to the City Commission at the January 16, 2018 City Commission meeting. The action was approved by the City Commission on February 6, 2018.

d. **Goal:** City Commission would vote to approve the new positions on the Affordable Housing Advisory Board  
   **Performance:** This action was approved by the City Commission on February 2, 2018.
Update:

a. **Goal:** Define and prioritize the Affordable Housing Advisory Board goals.  
   **Performance:** The AHAB approved an application for funding at the May 8, 2017 meeting which contained a description of eligible projects to include acquisition, rehabilitation, and development of affordable housing and supportive services so that all persons in the community have access to independent living with dignity.

b. **Goal:** Develop a process for review and approval of allocation  
   **Performance:** The AHAB approved an application review matrix at the May 8, 2017 meeting, which is included in the 2017 application for funding. An application was also issued for a second funding round in late 2017.

c. **Goal:** Develop an RFP process for approval of projects to spend 2017 funds not allocated for spending in future years  
   **Performance:** Opted for open application period instead of RFP. The AHAB held two application rounds during 2017, making recommendations on available Housing Trust Funds for 2017 and 2018.

d. **Goal:** Review and recommend proposals to City Commission  
   **Performance:** Recommendations for funding from the first and second rounds of applications for Housing Trust Funds for 2017 and 2018 are complete. These applications were considered and approved to proceed by the City Commission at its January 16, 2018 meeting. These recommendations include:

   - **$75,000 to Lawrence Habitat for Humanity** for the construction of two houses. The application for funding lists a leveraging ratio of $6 for every $1 from the housing trust fund.
   - **$30,000 to Tenants to Homeowners, Inc.** to match state grant funds to support a three-unit rental development in Lawrence. The grant funds from the City were set aside pending the HOME grant award. The HOME grant was subsequently awarded to Tenants to Homeowners, Inc. so that they could proceed with the project. The application for funding lists a leveraging ratio of $16.67 for every $1 from the housing trust fund.
   - **$495,000 to Bert Nash Mental Health Center** to construct the Bridges Transitional Recovery Program. These funds will leverage construction of 8-12 bed facility for rental transitional housing and mental health recovery. This project would be Tier II of a three tier continuum model for mental health recovery, which has been a discussion in the community. The application for funding lists a leveraging ratio of $3.16 for every $1 from the housing trust fund.
The Affordable Housing Advisory Board (AHAB) received applications in response to the 2018 Request for Proposals funds at its meeting on December 10, 2018. The RFP called for non-capital projects and services relating to the additional $200,000 in funding added by the City Commission for the revised 2018 budget. The AHAB unanimously approved a recommendation to fully fund the case management services related to both the Tenants to Homeowners, Inc./Willow Domestic Violence Center proposal and the Lawrence-Douglas County Housing Authority/Family Promise of Lawrence proposal, funding the Tenants to Homeowners, Inc./Willow Domestic Violence Center proposal at a total of $90,000 (full request) and the Lawrence-Douglas County Housing Authority/Family Promise of Lawrence proposal at a total of $110,000 (partial request).

- Tenants to Homeowners, Inc. and The Willow Domestic Violence Center - Building Stability - a partnership between KU Endowment, TTH and Willow to create transitional housing and affordable permanent rentals for survivors of domestic violence. The application for funding lists a leveraging ratio of $1.94 to every $1 from the housing trust fund.
- Lawrence-Douglas County Housing Authority and Family Promise of Lawrence – New Horizons Transitional Housing Program- rent assistance and case management services. The application for funding lists a leveraging ratio of $1.65 to every $1 from the housing trust fund.

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 financers to understand the issue
  - Performance: Staff has met with developers and builders to try to identify areas to reduce costs and possibly streamline the building process.

- b. Identify places in the process for cost reduction
  - Performance: On November 13, 2017, the AHAB received a staff memo regarding the potential for reduction in costs. However, only very marginal opportunities were identified- well below the 5% goal. Even so, a few items identified related to the building code are being considered with the processing of the 2018 building code adoption currently underway. Additionally, the AHAB received a staff memo regarding how revisions to City infrastructure specifications and standard details would impact housing.

- c. Analyze impact on unit costs
  - Performance: Currently in progress

- d. Recommend policy changes to City Commission
  - Performance: Recommendation made by the AHAB in November 2017. The City Commission initiated text amendments at its February 6, 2018 meeting to address the items noted in the staff memo noted in 6(b) above. Revisions in the building code are the primary effort at this point. Additionally, the City Commission initiated a text amendment on October 16, 2018, at the request of Tenants to
Homeowners, Inc., to consider allowing permanently affordable housing to be constructed at a greater density than the property’s current base zoning district; specifically to permit by right the ability to construct two primary dwellings on one lot in RS base zoning districts. This amendment is in process.

Update:

a. **Goal:** Decide who will conduct CHAT report  
   **Performance:** The City released an [RFP](#) for a consultant to conduct a comprehensive housing market study. The AHAB voted to recommend [BBC Research & Consulting](#) for the RFP. In August 2018, BBC Research & Consulting completed the [Housing Market Analysis](#).

b. **Goal:** Chosen entity will conduct updated report  
   **Performance:** Report completed.

c. **Goal:** Use updated report to meet determined need  
   **Performance:** Report completed. Decision regarding goals and use of the data identified in the final report is currently under review.
Update:

**Goal:** 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.

**Performance:** The AHAB adopted the definition of affordability at the February 13, 2017 meeting, which was included in the [2016 AHAB Annual report](#).
Financial Transactions

The table below summarizes the financial transactions of the Affordable Housing Trust Fund in 2018. The table shows the audited beginning fund balance as of January 1, 2018.

<table>
<thead>
<tr>
<th>Beginning Balance (as of 1/1/18)</th>
<th>$3,628</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
</tr>
<tr>
<td>General Fund Support</td>
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</tr>
<tr>
<td>Interest</td>
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<tr>
<td>Donations</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>$824,000</td>
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<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Habitat for Humanity Project</td>
<td>($75,000)</td>
</tr>
<tr>
<td>Bert Nash Project</td>
<td>($495,000)</td>
</tr>
<tr>
<td>Tenants to Homeowners Matching Grant</td>
<td>($30,000)</td>
</tr>
<tr>
<td>Tenants to Homeowners/The Willow Domestic Violence Center Case Management</td>
<td>($90,000)</td>
</tr>
<tr>
<td>Lawrence Douglas County Housing Authority/Family Promise Case Management</td>
<td>($110,000)</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>($800,000)</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Ending Balance (as of 12/31/18*)</th>
<th>$27,628</th>
</tr>
</thead>
</table>

* Fund balance is unaudited

Membership Changes

In March 2018, four new board members representing the University of Kansas (Sarah Waters), the Chamber of Commerce (Ron Gaches), the Lawrence Board of Realtors (Thomas Howe), and a City-at-Large representative (Susan Cooper), were added to the board. In May 2018, Edith Guffey, serving as a City-at-Large representative, joined the board. In June 2018, Monte Soukup filled the unexpired term for the Justice Matters Representative when Matt Sturtevant resigned from the board, and Andrew Brown joined the board, serving as a subsidized housing representative.

The terms for Tim Stultz and Nancy Thellman expired at the end of 2018.
LIST OF ACRONYMS

AHAB – Affordable Housing Advisory Board
CDBG – Community Development Block Grant
CHAT report – 2005 Community Housing Assessment Team report
CIP – Capital Improvement Plan
HOME – HOME Investment Partnerships Program
HUD – Housing and Urban Development
MSA – Metropolitan Statistical Area
RFP – Request for Proposals
RS – Single-Dwelling Residential Districts
TTH – Tenants to Homeowners, Inc.