

# City of Lawrence

## Affordable Housing Advisory Board

### December 14, 2015 minutes

MEMBERS PRESENT: Stuart Boley, Rebecca Buford, John Harvey, Dana Ortiz, Shannon Oury, Nancy Thellman, Matt Sturtevant, Tim Stultz

MEMBERS ABSENT: Emmanuel Birdling

STAFF PRESENT: Casey Toomay, Assistant City Manager; Scott McCullough, Director of Planning and Development Services; Danelle Dresslar, Community Development Manager; Brad Karr, Community Development Programs Analyst

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Chair Matt Sturtevant called the meeting to order at 11:04 am.

#### **1. Approve minutes from November 4, 2015 meeting**

Rebecca Buford moved to approve the meeting minutes from November 4, 2015. Shannon Oury seconded the motion. The motion passed 7-0.

#### **2. Consider adoption of bylaws**

Assistant City Manager Casey Toomay presented the Board with a draft of the bylaws prepared by the City Attorney's Office. Any changes proposed by the Board would be reviewed by the City Attorney's Office before being ratified by the City Commission.

Stuart Boley suggested changing Article II, Section 7 to 'two term limits' instead of 'no term limits', to allow others to serve on the Board. Oury agreed two term limits would allow for a fresh prospective. John Harvey asked if the 'member' is the entity or the person representing the entity. Boley indicated the person would be limited to two terms, but the entity would always have a representative as described in [Ordinance No. 9129](#). Dana Ortiz asked if the representative had to be a staff member of the entity. The Board agreed the representative does not have to be a staff member of the entity. Toomay indicated the change would be reviewed by the City Attorney's Office.

Boley suggested the language be clarified in Article II, Section 4 and Article IV stating the entity would make a recommendation of a board member, but the Governing Body of the City would make the appointment, except for the Board of County Commissioners appointed member as described in the Ordinance. Toomay indicated the change in language would be reviewed by the City Attorney's Office.

Boley suggested a change be made to Article V, Section 2, adding the staff liaison as an acceptable notifying party of absences. Toomay agreed to have the change reviewed by the City Attorney's Office.

Boley suggested a language clarification in Article VI, Section 2 concerning the representation of the Board by the Chair. Article III, Section 5 describes the duties of the Chair to include representing the Board, as necessary, at all City and County meetings. Article VI, Section 2 then states the Chair cannot represent the Board unless authorized to do so by a simple majority vote of the Board. Boley indicated the Chair should not have to get a majority vote every time they attend or speak at a meeting. Toomay agreed the City Attorney's Office would clarify the language.

Boley suggested added a provision in Article VII to allow a time for Public Comment on each Agenda. Toomay agreed Public Comment could be added to each Agenda.

No other changes were suggested to the bylaws. Sturtevant asked if the document should be approved now with the suggested changes. Boley suggested the changes first be reviewed by the City Attorney's Office. Toomay agreed to refer the changes to the City Attorney's Office, to be brought back at the next meeting of the Board for approval.

Oury informed the Board of a comment received at the LDCHA Board meeting from a landlord questioning the lack of landlord representation on the Board. Tim Stultz indicated he was a market rate landlord. Buford, Oury and Ortiz also indicated they are technically landlords as well.

Toomay asked if there were any other changes needed on the Agenda besides adding a section for Public Comment. Buford asked where on the Agenda the Public Comment would be added and if a time limit was needed. Boley indicated the City Commission allows Public Comment after the consent items are approved, and the Mayor generally limits each individual to five minutes.

Boley moved to add Public Comment as an Agenda item after the approval of meeting minutes. Oury seconded the motion. The motion passed 7-0.

Boley mention the Iowa City, IA Univercity Neighborhood Partnership program as a discussion topic at some point.

Toomay recommended a standing Agenda item for Board new business, to include the Univercity program mentioned by Boley. Oury moved to add New Business as an Agenda item before Adjournment. Harvey seconded the motion. The motion passed 7-0.

Ortiz reminded the Board of the need to elect a Vice-Chair. The Board agreed to defer until the January 11, 2016 meeting to elect a Vice-Chair.

### **3. Public Comment**

There was no Public Comment.

### **4. Overview of Background Materials; Staff Presentations**

Toomay explained the basic layout and the included materials in the notebook provided to the Board members. The documents are also available on the [Affordable Housing](#) page of the City's website.

Director of Planning and Development Services Scott McCullough spoke to the Board about the Affordable Housing Background and Market Analysis memo provided in their notebook. McCullough explained how the goal of increasing affordable housing in Lawrence is an adaptive process, with many stakeholders and a range of options but with no solution, only methods of addressing and mitigating the problem. City Staff would like the first six month goals of this Board to be:

1. Study the issues and identify the gaps,
2. Identify funding and program options,
3. Prioritize recommendations and
4. Report to the City Commission.

The memo provides a timeline reflecting the City of Lawrence's efforts in confronting the issue of affordable housing. An important report was created in 2005 by the Community Housing Assessment Team (CHAT). [The CHAT report](#) provided insight into the housing need in Douglas County. Even though the report is ten years old and some of the numbers might have changed, the scale of the need for affordable housing units has not changed.

Some of the current documents used by the City as listed in the memo are the [Community Housing Vision](#) and the [Step Up to Better Housing](#) strategy.

The Community Housing Vision chart was created to show the process of moving individuals along the housing continuum from homelessness to eventual permanent housing. Nonprofit agencies provide services in each of the columns to address the need for each specific stage of housing.

The Step Up to Better Housing strategy is used by the [Community Development Advisory Committee \(CDAC\)](#) in recommending yearly federal funding allocations to the agencies providing these stages of housing, in addition to allocations for revitalizing neighborhoods and community facilities.

Oury, Buford, Ortiz and Harvey provided housing unit numbers in each of the columns provided by their respective agencies. Boley asked if City staff could provide a more complete number of housing units on the ground in each of the respective columns. McCullough indicated staff would compile those numbers for the next Board meeting.

McCullough explained the City and federal funding sources as listed in the next section of the memo. The Funding Trends graph shows the sharp decrease in federal funds allocated to the City over the last ten years. Since 2000, the City has allocated pass through federal and state funds in the amount of \$21,469,504.

The next section of the memo is the Analysis which describes HUD's guidelines on what is affordable and the definitions of Low and Moderate Income. Charts are provided giving statistics on how Lawrence relates to those guidelines and how Lawrence compares to the State of Kansas in several categories.

McCullough also discussed how the Horizon 2020 Steering Committee is interested in finding options for systemic programs to generate funding or affordable housing units on the ground for years to come at acceptable levels.

Buford asked about the lack of description or need in the Permanent Housing column on the Community Housing Vision chart. Community Development Manager Danelle Dresslar explained the chart was originally created by the Community Commission on Homelessness. Their goal was to move homeless individuals along the housing continuum until they reached Permanent Housing, which was the end result. They were more interested in the need for each of the other columns to graduate those homeless individuals into the Permanent Housing category.

Sturtevant thanked McCullough for the information and background, and asked the board members and City staff to use their experience and wisdom to suggest where the focus should be. McCullough stated the City has great nonprofit agencies doing great work through great programs but they lack the funding. His question was who bears the brunt of the funding issue; is it a community wide issue, a development issue or both to provide the needed units of affordable housing. If both the community as a whole and developers have a share in the responsibility, then options and programs need researched to share the cost such as inclusionary zoning or a base density trust fund. McCullough referred back to the four goals for the Board and felt Lawrence would be a stronger city if they could be met.

Ortiz indicated approximately 30% of their calls are from individuals precariously housed. The Housing Vision chart was more designed for those already homeless, not those living on the edge of being homeless. McCullough agreed, and indicated a part of the issue is helping people get a handle on their personal finances and do those programs also need funded to provide an acceptable level of service. Ortiz, Buford and Oury all agreed and described the education and other case management provided by area agencies.

Ortiz asked if Oury knew the success rate of people moving from the Transition Housing (TBRA) program into the Permanent Housing Section 8 voucher program. Oury indicated 83% successfully move into the Section 8 program. Ortiz attributed the high success rate to the two year case management requirement of the TBRA program, and indicated it as the reason Family Promise built it into their program.

Toomay noted the comments from the Board indicate case management is critical in keeping people housed, and needs to be included in the funding discussions.

Dresslar offered how this mirrored HUD's change in the ESG grant from just sheltering activities to more homelessness prevention and rapid rehousing. Catholic Charities uses this grant funding to provide full case management to get and keep people housed by working with multiple agencies in the City.

McCullough posed some additional questions for the Board to consider:

- What is the need?
- What level do we address the need?
- Who shares the responsibility?
- What are the components of the problem?
  - New units
  - Case management
  - Income

Nancy Thellman asked Stultz for a builder's perspective on constructing units to meet some of these needs. Stultz indicated is difficult to build units at an affordable price, but there are market rate units touching those price ranges. Stultz said from his perspective, to make something more affordable you would need to increase the density and decrease the unit size. McCullough pointed out the difference between building a complex with smaller market rate units to reduce the price and a program to maintain long term affordability using tax credits and deed restrictions.

Thellman mentioned discussions she has had with citizens concerning the opposition to building large complexes of affordable housing because of the lack of income dispersal throughout the community. McCullough stated to build the large number of units needed, both small and large projects will be required, and they would be sprinkled in among existing higher priced units. Oury offered the concern for concentration is less for senior specific housing based on similar living styles.

## **5. Consider process for demonstration project proposal**

Sturtevant provided the Board with a handout discussing the demonstration project. Oury, Buford and Sturtevant met to provide a recommendation to the Board of options for the demonstration project. Option A would be to conduct a demonstration project immediately, using \$100,000 in the trust fund (plus potential additional funds will be accrued in coming months from the Eldridge parking lot fund). Option B would be to hold off from conducting a demonstration project immediately, saving trust fund dollars to use for even more impactful demonstration in later years. Examples of each option were provided to the Board. Proposals for either option would be open to allow the public to submit plans for use of these funds.

The Board discussing additional timing issues involved with choosing Option B related to applying for and receiving tax credits and partnering with multiply agencies required for taking on a large scale project. If acquiring an existing complex, the seller would have to be willing to wait during this lengthy application process.

Boley stated he is going toward Option A, in understanding what the community is expecting.

Harvey stated he does not like Option A; he felt it is what each agency is doing now, putting a few units in the ground per year, rather than possibly saving and maintaining a larger complex from converting to market rate.

Buford indicated both options could be explored by using the \$100,000 in the trust fund for one option and the \$100,000 from the Eldridge parking lot for the other, in addition to any future funding sources identified to aid the larger option.

Thellman asked about the public perception if the entities on the Board are both submitting and voting on proposals. Toomay indicated it could become an issue. Boley reminded the Board the City Commission has the ultimate decision; if too many Board members recuse themselves from voting on a project it may have to be the Board present the City Commission all the options in order to make their decision.

Toomay asked the Board to consider the criteria and a reasonable timeline for the application process. The Board agreed it would be too difficult for applicants to have their application turned in by the January 11, 2016 Board meeting. Toomay said she would prepare a draft application for review, with the public applications to be returned by the end of January 2016 and be reviewed by the Board at the February 8, 2016 meeting. Harvey stated the deadline forces the project to be almost shovel ready. Boley said this demonstration project needs to be ready to go now to show progress, and there will be more projects in the future.

The Board agreed to use the parameters listed on the demonstration project handout, with the exception of changing the scattered site question to listing where the project is located in the community.

Oury moved to have City staff prepare an invitation to submit proposals for the demonstration project. Ortiz seconded the motion. The motion passed 6-0.

## **6. Next Meeting – January 11, 2016**

The next Board meeting will include discussions on the draft demonstration project application, the 2015 annual report (due 3/1/16) and review of the amended bylaws including election of a Vice-Chair.

## **7. New Business**

Boley asked the Board to review the Iowa City, IA University Neighborhood Partnership program and consider how it could relate to the redevelopment KU is doing in the McCollum Hall/Stouffer Place area. Toomay indicated staff would bring more information on the program to a future meeting.

Oury informed the Board of fifteen new vouchers the LDCHA is creating from the Moving to Work program. Ten of the vouchers will be for victims of domestic violence and five will be for youth aging out of foster care. These will be funded out of the LDCHA standard allocation stream funding from HUD.

Harvey reminded the board of an LDCHA initiative on the December 15, 2015 City Commission Agenda. Oury explained the LDCHA is trying to acquire a six unit property at 1725 New Hampshire St., between Babcock Place and Dillons. The purchase needed approval from the City Commission since the property will be deeded to the City of Lawrence.

Buford informed the Board of information contained in their notebooks explaining elements and examples of Affordable Housing Trust Fund programs used by other communities.

## **8. Adjourn**

Chair Sturtevant moved to adjourn the meeting. Thellman seconded the motion. The motion passed 6-0. The meeting was adjourned at 1:23.

### Future Meeting Dates / Tentative Agenda items

January 11 – draft demonstration project application; 2015 annual report (due 3/1/16); review of bylaws; Election of Vice-Chair

February 8 – finalize draft annual report; review submitted demonstration project application; 2016 funding recommendation process

March 14 – 2017 budget overview; long term revenue streams for trust fund

April 11 – other affordable housing tools

May 9

June 13

July 11

August 8

September 12

October 10

November 14

December 12

These minutes were approved by the Board January 11,2016.