

City of Lawrence

Affordable Housing Advisory Board

January 9, 2017 minutes

MEMBERS PRESENT: Stuart Boley, Rebecca Buford, Tim Stultz, Matt Sturtevant, Nancy Thellman, Erika Zimmerman

MEMBERS ABSENT: Shannon Oury, Dana Ortiz

STAFF PRESENT: Casey Toomay, Assistant City Manager; Scott McCullough, Director of Planning and Development Services; Lisa Larsen, City Commissioner; Danelle Dresslar, Community Development Manager; Jeff Crick, Planner II

Chair Sturtevant called the meeting to order at 11:00 am.

1. Elect Chair and Vice Chair

Thellman nominated Sturtevant to continue in the position of Chair. Boley seconded the nomination. There were no additional nominations for Chair. The motion passed 5-0 with one abstention (Sturtevant)

Thellman nominated Oury to continue in the position of Vice Chair. Zimmerman seconded the nomination. There were no additional nominations for Vice Chair. The motion passed 6-0.

2. Approve minutes from December 12, 2016 meeting

Buford moved to approve the meeting minutes from December 12, 2016. Zimmerman seconded the motion. The motion passed 6-0.

3. Public Comment

Mary Newberg Gale, representing Justice Matters and the Justice Matters Affordable Housing research team, wanted to thank the board for their commitment and dedication, including the positive movement for the community towards affordable housing, especially setting a goal of a 10 year timeframe to solve the affordable housing shortage and the dedication to finding more funding. Gale said it will take all of us to create an effort to change the way Lawrence looks at housing. She indicated that Justice Matters will be submitting questions to the City Commission for their strategic planning retreat to use as part of their conversation regarding affordable housing.

1. What steps will the Commission take to end the affordable housing shortage in the 10 year timeframe?
2. How will they find the necessary funding for affordable housing?
3. How will we all ensure a safe and decent housing supply?
4. What will the relationship to the AHAB look like, and how will they provide guidance to the AHAB regarding their goal of affordable housing.

Gale concluded by stating that the city and the community have taken big steps and changed the conversation together, but there is still a long way to go.

Bobbie Flory, representing the Lawrence Homebuilder's Association (LHBA), said that the LHBA has provided a letter to the AHAB. The letter is stating the willingness of the LHBA to participate with the AHAB to identify potential regulations that are in conflict with the priority of affordable housing. Flory said that the LHBA is not offering anything specific in terms of suggestions; they are just asking if the AHAB would like the help of the LHBA. Flory said one way to look at the goal that speaks to the desire of the AHAB to achieve a reduction in the cost of development is to look at regulations that might be contributing to costs.

4. Monthly Financial Report - November

Toomay presented the board with the November 2016 Financial Report for the AHAB.

5. Receive Draft 2016 Annual Report (Due March 1, 2017).

Toomay presented the draft Annual Report for the AHAB. The report is due to the City Commission by March 1 per the ordinance. Toomay summarized the draft report and the sections for the AHAB.

Dresslar noted that under the heading of "Membership Changes" Buford was reappointed, not Ortiz. Sturtevant asked for clarification on Zimmerman's term.

Toomay asked the board to pay special attention to the section regarding "Goals and Action Steps" as she was unclear of the direction of Goal number three. There had been discussion in the AHAB about amending the goal.

Toomay said the Annual Report did not need to be approved at this meeting if the AHAB is not ready to approve it. The purpose of this draft is to gather comments and suggestions, and it can be brought back to the group at the next meeting. She indicated that some goals may need to be adjusted if it goes to the commission later than anticipated.

There was discussion about adding photos to the report. Toomay said that she would work with those involved in the demonstration project to add photos to the report. Buford said they could get some photos of the demonstration project.

Stultz asked about goal number four and if there was a firm decision by the board on that goal as he thought the AHAB would be backing off it. Thellman said the suggestion was to add them came from the retreat and that the AHAB wanted to keep that in there as a goal. Toomay said that staff had the same question and verified that the board wished to move forward with the proposed expansion of the board as well.

Sturtevant said to look at goal number three. Did the AHAB want to back off the specific leverage number of 6-1 or did they want to keep it. There is definitely the need to track and publicize the dollars leveraged, but how specific does the AHAB want to be with the goal.

Thellman said that Oury warned the AHAB not to tie themselves to a specific goal.

Buford agreed and said that if the goal remains specific, and the AHAB sees a project that is considered a good leverage, but not that exact amount, it wouldn't be good. She suggested taking off the 6-1 specific leverage goal as to not set the AHAB up for failure with a lower, but still good, leverage amount.

Sturtevant said the AHAB can set a leverage goal of 6-1, but not tie that number to success.

Thellman said she was concerned that that could cause the community to have expectations that might not be met.

Boley agreed and said it could be a community communication problem.

Toomay asked if the goal should include a lower leverage number or just a goal to leverage.

Boley said he preferred a goal of just leverage, track, and publicize, with no specific leverage amount.

Boley suggested that the AHAB take the draft report and communicate with Toomay any other information that needs to be included or adjusted. It could come back to the AHAB for approval in February.

Thellman asked Boley if the City Commission would prefer the document sooner rather than later with their upcoming strategic planning?

Boley said he wanted to be very sure on the information in the document since it is communication with the community. He wants to be careful and to be sure that what is in the report is accurate. He said he was not comfortable approving after half an hour of discussion.

Sturtevant said that if the Annual Report is submitted closer to the March 1 deadline, then at least two goals will need to be changed as they indicate a January goal date. The first is goal eight, which is the adoption of a definition of affordability. Also, goal one's partner list is listed to be complete by January, so that should change to February.

Toomay said she will make those changes. She asked if goal eight should be the direct language from the Economic Development Policy regarding affordable housing.

Buford said yes, that is what was communicated to the community.

Toomay asked if the AHAB wanted that in the goal itself or elsewhere in the report. She said that she could also attach the Economic Development policy.

Sturtevant said in the goal was his preference as that is what will get reported. He said staff should add the policy also.

Toomay said she would craft that language.

Thellman asked to add a specific box on the front page that has the definition also.

Toomay asked the AHAB members to submit any changes in the document to her by January 20. She said she will send the report out on the 25th of January.

6. Receive partner list from SMART goal #1 (created by Oury, Ortiz, and Buford).

Buford said the sub-committee emailed one another and came up with a starter list of agencies. Based on the nature of the agencies that were putting together the list, the list is heavy on non-profits, which is something the AHAB talked about, so Buford asked for assistance from the AHAB to add other partners. Buford said the Chamber of Commerce, KU, and the Board of Realtors are already listed on goal four to add to the board. Buford listed those already mentioned by the subcommittee: Independence, Inc.; Willow Domestic Violence Center; The Salvation Army; Catholic Charities of NE Kansas; Bert Nash; Lawrence Community Shelter, and foster care agencies such as The Shelter, Inc., KVC, and DCF.

The group discussed the list and added landlords of Lawrence; USD 497; the Health Department; and Lawrence Memorial Hospital.

Thellman asked what the list will be used for.

Buford said the goal is for outreach, and how to make sure that these voices are heard, although she does not know exactly what that looks like either.

Sturtevant said the agencies should be included in retreats and conversations, much like a go-to expert list.

Buford added that strategies or priorities for the Request for Proposals can also be sent to this group for input.

Toomay stated that this list speaks to goal one. The goal was written to look for those groups and agencies that can help build support or advocate for affordable housing initiatives.

Sturtevant asked if this list needed to be added to the Annual Report, or is it more of an AHAB consultation piece.

Boley suggested that someone should reach out to these agencies to see if they want to be on the agency list.

Thellman said they could also be asked if they would like to be notified of meetings and other discussions.

Boley agreed and said the AHAB needs to ensure that they want to be on the list in the first place and there needs to be a definition of what that list is. Boley suggested adding this to the February agenda to determine what is being asked of the agencies on the list.

Toomay indicated that she would draft a letter to send to the agencies regarding the list that can be reviewed at the February meeting.

7. Other New Business/ Future Business

Sturtevant said he had several updates to share. The first is an update on process for goal three regarding the update of the CHAT report. There has been work on moving that goal forward. McCullough, Toomay, and Sturtevant met in December with Rob Hulse of the Lawrence Board of Realtors, and last week the group met again with Dresslar and Danielle Buschkoetter with the City Manager's office, and talked about what the process looks like. Buschkoetter is working on a list of companies that do this type of work, and she is talking to other communities who have had similar reports prepared. Sturtevant said the process would be for the City to contract with these organizations. The City will create a Request for Proposals (RFP) with approved language. The City will send out the RFP and receive the proposals. A subcommittee of staff and AHAB members will review the proposals, and bring the top proposals to AHAB. Ultimately the City Commission will be the approving body for the selected proposal. Sturtevant said there is no RFP language yet but the hope is to bring the RFP draft to the AHAB in February, and if approved could go to City Commission after that.

Thellman asked if staff has a sense of cost of this type of analysis.

Toomay said within the cities contacted, proposals ranged from \$31,000 - \$37,000. The research has shown that there is a very large spectrum of project scopes.

Toomay indicated that the hope was that various funding partners would assist in the cost of the report, and a conversation could happen within the AHAB regarding any potential trust fund allocation to the project. The cities reviewed, for the most part, were happy with the results of their reports. Most of the cities paid for the reports out of general fund. All of the cities contacted said that the housing analysis is an effective tool in planning and goal setting for the communities. Toomay said there are a limited number of agencies and people that perform this type of work and she will send out a link to the AHAB members of the cities reviewed and their reports. Toomay said that the potential funding partners have been reached out to regarding the scope of the report.

Sturtevant asked if Buschkoetter determined what the timeframe was for the analysis.

Toomay indicated that she was not sure that Buschkoetter had completed that yet, but staff will have that information at the February meeting.

Sturtevant said that the CHAT update goal language might need to be adjusted.

Toomay said once approved, the RFP should be able to be out for three to four weeks. Then staff will need time to review, make a recommendation, and receive final approval from the AHAB and the City Commission. How long the process will take will depend on the scope of the analysis. Toomay agreed that they will probably need to adjust goals. She said the thought would be that staff would initially review the proposals with a sub-committee. That committee would come back to the AHAB with the recommendations of one or two finalists.

Buford and Stultz volunteered to be on the committee to review the proposals.

Sturtevant said the second piece of business is on goal five, which is to develop an RFP for the trust fund allocations. There has been some talk about moving forward on what that looks like for the City of Lawrence. The AHAB and staff did a lot of the heavy lifting with the demonstration project. Sturtevant said that this topic needs to get on the next AHAB agenda. He suggested that the AHAB can go back to that original RFP for the demonstration project and work from there. Sturtevant asked for Toomay to send out the original RFP, and to look at adding this topic to the February meeting to discuss and potentially approve.

Toomay said she can resend out the original RFP to the AHAB.

Sturtevant said that there also needs to be a discussion on the timeframe of the RFP. He asked if it could be a standing RFP or if there needed to be a deadline.

Toomay said usually an RFP has a deadline. She said the AHAB can decide that the RFP is only for a portion of the money. The AHAB talked at one point of looking at the allocation and how much they wanted to spend on each piece.

Buford said the priorities for 2017 allocation still need to be determined.

Thellman said the RFP was important as it also outlined the process and priorities for private developers.

Sturtevant said they could see very different projects across the board from both non-profits and developers. The AHAB needs to specify what they want to see. Then the applicant can determine what they can do within that scope.

Thellman agreed and said that the AHAB needs to be supportive of those who are going to spend the time to apply.

Toomay said the Low Income Housing Tax Credit (LIHTC) application deadline will be coming up also, so the AHAB might want to have the conversation about those who will have projects requesting trust fund dollars that also applied for tax credits.

McCullough said the very important conversation about priorities needs to happen. Does the AHAB want to put together a plan to spend it all or do they want to reserve some for other larger projects.

Toomay said she is hesitant to have several pots of money. Priorities do need to be set, and at the next meeting the AHAB can look at the draft RFP and work together on that discussion. The definition and goals are in place, and they can look again at the Justice Matters material that spoke to community priorities.

McCullough said the goal is to develop a specific allocation model, so they can look at the 2001 trust fund model also.

Thellman asked if there were examples from other communities of this type of thing that is already established.

Toomay said that staff can research that, but the journey is the point. The point of the exercise is to put the dollars where you want and need them. Staff can look at other community models, but what those communities did is probably based on their studies, strategic planning, and their goals. Toomay said that staff can look into that.

Thellman said there needed to be defined rules for a competitive program or it can create negative feelings.

McCullough said that there are already boards, including the Social Services Advisory Board and the Community Development Advisory Committee with the same process of application and allocation, and the AHAB can look at their process. The AHAB can look at them to create a resource that goes directly to affordable housing. The AHAB can choose to react to applications each year or have the applicants react to what the committee wants to see.

Sturtevant said that the AHAB does not need to have all the answers before they start the discussion, but do not want to start with no answers, either. This process can be looked at next month. The RFP discussion is one way to look at that; how much, what, and how.

Sturtevant recapped that the agenda for the February meeting will include: Final approval of annual report, final approval for RFP for the CHAT update, final approval of partner list, discussion of priorities and the trust fund RFP, and finally, approval of a letter to community partners regarding the partner list.

Toomay said the current board vacancy, according to the Ordinance, calls for a person who is a current or past recipient of subsidized housing. If the committee members know of anyone who might be interested, please forward them the application to serve on the board or provide them with Toomay's contact information. She indicated that there were some who have expressed interest in joining the board already, and she will send them an email describing the position and to see if they are qualified.

Buford said she can send an email to the homeowners in their program. Zimmerman said she could also ask her homeowners.

Stultz asked if the AHAB wanted to look at goal six, and if they want to have a discussion about the letter Bobbie Flory wrote, and working through some recommendations regarding the goal. He said he was thinking about the March meeting. He said he was very glad LHBA is ready to assist in the review of these things.

Sturtevant said the AHAB can talk to the LHBA at the March meeting, which starts the conversation looking at the first part of goal six. It will help the AHAB to understand the issues.

Toomay said there will also be a need for a recommendation to the City Commission for the appointments of three other representatives. This will need to be a separate communication to the City Commission that can also be added to the March meeting.

8. Next Meeting.

Sturtevant reminded the AHAB that the February meeting will be on the 13th. March is also on the 13th.

Toomay said she will not be at the March meeting as she will be at a conference in Washington DC.

Sturtevant asked if there was a desire to move the March meeting to March 6th.

The committee said yes. The March meeting will be held on March 6th and not on the 13th.

9. Adjourn

Stultz moved to adjourn the meeting. Thellman seconded the motion. The motion passed 6-0 at 12:40 pm.

Future Meeting Dates / Tentative Agenda items

February 13, 2017 - Final approval of annual report, final approval for RFP for the CHAT update, final approval of partner list, discussion of priorities and the trust fund RFP, and finally, approval of a letter to community partners regarding the partner list.

March 13, 2017 – Discussion of Goal #6, Request to City Commission to add three members to the AHAB.

April 10, 2017

May 8, 2017

June 12, 2017
July 10, 2017
August 14, 2017
September 11, 2017

These minutes were approved by the Board February 13, 2017.