

City of Lawrence

Affordable Housing Advisory Board

May 8, 2017 minutes

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

MEMBERS ABSENT:

STAFF PRESENT: Casey Toomay, Assistant City Manager; Danelle Dresslar, Community Development Manager; Brad Karr, Community Development Programs Analyst; Jeff Crick, Planner II; Lisa Larsen, City Commissioner

Chair Sturtevant called the meeting to order at 11:01 am.

1. Public Comment

James Dunn spoke to the board about his interest in how proposed increases in property taxes, utility bills, and the mill levy would affect affordable housing.

2. Approve minutes from April 17, 2017 meeting

Boley requested changing "don't" to "do" on page two and "August of 2017" to "August of 2018" on page three of the April 17, 2017 meeting minutes.

Stultz moved to approve the meeting minutes, as amended, from April 17, 2017. Oury seconded the motion. The motion passed 7-0.

3. Discuss and approve application review matrix for the 2017 HTF allocation

Toomay explained to the board the application was still awaiting review by bond counsel. Boley asked for an explanation of the significance of the review by bond counsel. Toomay said the cash funding in the Housing Trust Fund (HTF) could be used for any purpose towards affordable housing, while the \$300,000 in funding from proceeds of general obligation debt needed to be used only for construction. Toomay said if the cash portion of the HTF was to be used to fund the housing market study, those miscellaneous use funds should not also be listed on the application as available.

Ortiz asked if construction needed to be new construction. Toomay said she thought it could also be used for renovation of an existing asset.

Sturtevant asked when the review by bond counsel would occur. Toomay said she would hopefully get the final version of the application to bond counsel in the next week. Sturtevant asked if the application would again need to be approved by the City Commission. Toomay said direction from the City Manager indicated the application did not need to be approved again by the City Commission.

Boley asked if there was going to be a revision of the 2017 budget to increase the spending authority of the AHAB from \$300,000 to \$380,000. Toomay said that was still a possibility, and would need to be done to spend more than \$300,000.

Buford arrived at the meeting.

Ortiz asked if all of the miscellaneous funding in the HTF was being reserved for the housing market study. Toomay indicated the estimate for the housing market study was approximately \$74,000,

depending on the number of all a carte options selected. There have been initial conversations with other interested parties in the possibility of becoming funding partners in the study; it would be very likely the study will not require all of the cash funds.

Sturtevant asked how long the application would be open. Toomay said the board had previously discussed a one month application period. Sturtevant asked if a subcommittee of the AHAB would first review the applications, or the application period would end one day before the June 2017 meeting. Toomay said there possibly might not be enough members not submitting an application to form a subcommittee. Boley said the application deadline could be the Friday before the next meeting, instead of a full month. Sturtevant said the applications would be reviewed at the June 12, 2017 meeting, and suggested it be listed on the application for the applicants to be available by phone on that day. Toomay said the applications received by the Friday before the next meeting would be distributed to the board to begin review. Sturtevant asked if those board members not submitting an application would be attending the June 12 meeting. Boley, Thellman and Stultz each indicated they would attend.

Toomay presented the board with a draft application review matrix; she indicated the point scale could be adjusted or removed if needed. Thellman asked if the matrix should explicitly include the incorporation of energy efficiency elements, long term affordability, and the livability of the unit including proximity to schools, transportation, grocery store, etc. Boley said it was a good point, and he felt the Description of the Program and the Budget Information columns should each be more than 10 points, based on their importance. Boley proposed having the Description of Program and Budget Information columns each increased to 15 points and the other columns each decreased to five points. Sturtevant asked if the application needed to be revised to include these explicit descriptions under Description of Program. Boley asked if any of the matrix weighting were communicated in the application. Toomay said the application included a section on evaluation criteria, and could include a statement to see attached matrix for additional information.

Oury indicated the importance of a description of the length of affordability and the enforcement of the affordability period. Buford agreed and said length of affordability was a separate issue from the livability of the unit.

Ortiz said she would not like any points reduced in the Program Objectives column; she indicated she was biased towards an outcome based weighting system and wanted to make sure the AHAB was not just band-aiding problems, but instead produce a solid outcome. Oury said the Program Objectives column was more a service piece; if only capital programs were to be funded, how could program objectives be measured on construction. Oury asked what the program objectives were if the board prioritized 30 years of affordability over 15 years or in perpetuity over 5 years, for example.

Sturtevant said he felt Section seven of the application included a lot of important information which would be evaluated in the Program Objectives column; therefore that column should not be minimized. Boley asked if that was based on the idea the application was considering services as well as construction, but should be construction only. Ortiz said it was a different viewpoint; if the program objective was livability, the outcome should be checked to see if the requirements were met. Toomay felt some of the applications would indicate leveraging the capital dollars for additional funds which could be used for supportive services.

Boley suggested five points each on column one and two, 15 points each on column three and four, and 10 points on column five. Sturtevant asked the board if they were in agreement with the suggested weighting; the board all agreed.

Buford suggested a change in wording; she felt some of the outcomes they would look for are listed in the Description of the Program column. Ortiz said if the board was looking for a certain outcome, they should design the Description of the Program for the outcome they wish to achieve. Buford said the objectives listed were generic.

Toomay suggested revising the application by moving the list of items in the objectives section to the project description section. Boley asked if the sections in the application should be tied to the scoring matrix. Sturtevant said some of the application sections such as name etc., would not be on the matrix.

Toomay said the equal opportunity information on the application was not on the matrix. Boley said it was essentially a yes/no question. Sturtevant suggested it could be listed under the qualifications in column one.

Oury asked how the reviewers would evaluate what percentage of AMI would be served by the project, or if there would be preferences for serving special populations. Buford said that would be more the AHAB defining their objectives for use of the funds. Boley felt those items would be for the reviewers to discuss; if this board were to discuss those items, some members would have to recuse themselves. Toomay asked if it would help to include in the Statement of Problem/Need to be Addressed section a question if it meets the definition of affordability established by the AHAB. Boley said a question could be listed under the Program Objectives asking what segment of the population does the project intend to serve and at what AMI. Sturtevant suggested revising Section five of the application to include segment of the population to be served. Boley asked if it should be added to Section five or Section seven. Sturtevant said Section five already asked how many client households would be served. Stultz said the matrix does not need to line up exactly with the application; items could be analyzed in different columns. Toomay agreed it should be after the number of client households served question. Boley said it could be moved on the matrix to the Description of Program column.

Toomay asked if the AHAB definition of affordability needed to be included somewhere on the matrix. Ortiz felt meeting the AHAB definition of affordability and equal opportunity were both yes/no questions. Toomay agreed to list the definition in the Qualifications column.

Sturtevant asked if public opinion should remain in one of the most weighted columns. Toomay said the project's impact on public opinion was also located in the application. Buford felt it was just one element in the 15 point column. Oury felt the AHAB did not have a long enough track record to ignore the fact they would be spending public money. Oury also felt the project applicants should be ready to appear with a shovel in the newspaper. Sturtevant agreed and said he felt this was a \$300,000 demonstration project.

Sturtevant asked if the leveraging question should remain in the Budget Information column, which would be weighted at 15 points. Boley said that would be one of the things evaluated by the application reviewers. Oury said the application needed to indicate how the funds would be leveraged. Thellman said if the reviewers would have to defend their choice of project, criteria should not be implicit. Toomay said the application referred to a statement of how funds would be leveraged. Thellman said, for example, if a private developer was awarded City funds leveraging private funds versus an agency awarded City funds leveraging funds from other agencies, and all other things being equal, would one be prioritized over the other. Oury felt the board would not care how the funds were leveraged. Sturtevant felt if all other things were equal, then the AHAB should look for the biggest bang for the buck.

Boley asked when the 2017 Budget would be revised to increase the spending authority above the \$300,000 of general obligation debt. Toomay said she thought the hearing to revised and adopt the finalized 2017 Budget is scheduled for the first City Commission meeting in August.

Stultz asked if there would be enough time to review the applications between the June 9, 2017 submission deadline and the June 12, 2017 AHAB meeting. Toomay said there may not be too many applications to review. Oury asked if the review of the applications should be moved to the July AHAB meeting. Sturtevant indicated he would not be able to attend the July AHAB meeting. Boley said if there are too many applications to review the AHAB could hold a special meeting. Thellman asked

other board members who apply for grant funds if there was enough time being given to prepare this application. Zimmerman said Habitat had been preparing for this application for a while. Thellman asked if this was fair to other outside applicants who have not been able to prepare for a while. Boley reminded the board there would be another round of applications for the 2018 CIP allocation to the HTF, hopefully in September.

Oury moved to approve the revised application and review matrix. Stultz seconded the motion. The motion passed 8-0.

4. Other New Business / Future Business

Sturtevant reminded the board he would not be able to attend the July AHAB meeting. Toomay asked who the current Vice Chair was. Oury indicated she is the current Vice Chair and will be able to attend the July meeting.

Oury presented the board with the [Lawrence-Douglas County Housing Authority 2016 Annual Report](#). The report includes a section on the New Horizons Vouchers, which were partially funded with funds from the HTF.

Oury left the meeting.

Stultz spoke to the board about increases in property taxes; he indicated some communities have a maximum percentage property taxes can be increased each year. Toomay said the State adopted a property tax lid which does set a maximum percentage for increases; the City has been in opposition of this tax lid because it would limit the ability of the City to provide services. Stultz asked if anyone would lose their house because of a one year property tax increase. Toomay said the City produced a graph to show the effect of the proposed increases; taxes would increase an estimated \$111 per year for city services for the average rate payer. Zimmerman said the impact they see of increased property taxes is a lengthening of time for the principal to be paid off by the clients they serve. Buford said property tax increases needed to be considered when determining whether homeownership is the right fit for a family versus renting; the City needs to have an adequate stock of healthy, safe rental housing also.

Sara Taliaferro asked if the example under Section seven of the application needed to clarify the funding differences for construction versus supportive services. Boley said the HTF money could be used for the construction and the leveraged dollars could be used for supportive services.

Boley spoke to the board about a recent program to celebrate the 50 year anniversary of Babcock Place. Larsen said it was a great program, and she suggested Oury collaborate with City staff to create an oral history of the project. Thellman said Babcock Place is not an example of scattered site affordable housing, but the board should not be scared away from funding a similar project. Boley agreed and said the location near amenities increased the livability of the units.

5. Next Meeting

The next meeting will be on June 12, 2017.

6. Adjourn

Sturtevant moved to adjourn the meeting. Ortiz seconded the motion. The motion passed 7-0 at 12:06 pm.

August 14, 2017
September 11, 2017
October 9, 2017
November 13, 2017
December 11, 2017

These minutes were approved by the Board June 12, 2017.