

City of Lawrence
Affordable Housing Advisory Board
June 12, 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; Scott McCullough, Director of Planning and Development Services; 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 11:03 am.

1. Public Comment

There was no public comment.

2. Approve minutes from May 8, 2017 meeting

Boley moved to approve the meeting minutes from May 8, 2017. Buford seconded the motion. The motion passed 7-0.

3. Monthly Financial Report – April/May

Toomay presented the board with the April/May 2017 Financial Report for the AHAB.

Oury asked if staff knew the cost yet of the housing study. Toomay said the quote was \$61,000, but staff was still working on negotiating the scope of the study, to possibly remove some options to keep the price under \$60,000.

Boley asked if there had been any conversations with partners about contributions to the Housing Trust Fund (HTF) to be used for the purpose of paying for the study and how that might impact the final options and cost. Toomay said there had been one successful conversation, but no dollar amount was discussed. Boley said there were some expressions of support from funding partners, and if those expressions have changed, the AHAB would need to know. Toomay said staff would work on a solicitation letter to provide more information on pricing to the potential funding partners. Boley said there is an opportunity to choose more options on the study if support is given from partners. Thellman said she felt it was important to get the whole study, instead of nickel and dime the price down by removing options.

Sturtevant moved to have the AHAB agree to pay the entire \$61,000 if partners do not contribute to the HTF.

Thellman said the motion de-incentivizes the partners from contributing, knowing the AHAB will authorize the entire amount anyway. Boley asked if the \$61,000 included the option for a full survey. Toomay said \$7500 of a survey was included in the \$61,000, but it would be an additional \$7500 for a phone survey. Toomay said the motion to approve a spending amount on the housing study was not on the agenda for the meeting, so she did not feel the board could vote on the issue. Karr said the minutes from the last meeting indicated the housing study with all of the a la carte options was

\$74,000. Boley said it was important for the partners to know all of the options and the price. Toomay said one partner participated in the RFP interviews and understood the pricing options.

The motion failed without a second.

4. Consider draft ballot question for affordable housing sales tax for Nov. 2017 election

Toomay presented the board with a [memo](#) detailing staff's recommendation for renewal of the three special purpose sales taxes approved in 2008. The sales taxes will sunset in March of 2019 and staff is recommending the renewal be placed on the ballot for the November 7, 2017 election. Staff recommends asking the voters to renew the existing 0.3% infrastructure and equipment sales tax and 0.2% transit sales tax for their current special purposes. Because transit operations can be maintained without the 0.05% sales tax, staff recommends asking voters to change the special purpose of the 0.05% to affordable housing. Proceeds from the 0.05% would be placed in the Affordable Housing Trust Fund and would be used to supplement existing homeowner and rental assistance programs including CDBG and HOME programs, and to leverage other dollars to increase the number of affordable housing units in Lawrence. The memo will be presented to the City Commission at the June 13, 2017 work session for discussion.

Ortiz arrived at the meeting.

Toomay also presented the board with a draft of the three proposed [ballot questions](#) and a draft of the [resolution](#) to submit the ballot question on affordable housing to the electors. Staff felt it would be beneficial to have the renewal vote in November 2017, in case any of the three referenda were unsuccessful there would be two more opportunities to ask the voters again before the taxes would sunset. Having the vote now would also build on the momentum of addressing affordable housing in Lawrence.

Oury asked if any one of the three questions could fail to be approved for renewal. Toomay said yes, and one question for discussion with the City Commission will be whether to combine the questions or leave them separate.

Buford said the biggest question from the public will be if money will be taken away from transit. Toomay said the 0.3% infrastructure and 0.2% transit taxes are true renewals, while the affordable housing is a repurposing of the .05% expanded transit service tax, which the transit authority has indicated they can operate without because of achieved efficiencies projected over a 10 year period. Boley said the 0.2% transit tax and the 0.05% transit expansion tax had different ballot language and purposes on the 2008 election, and that would continue on this ballot language.

Oury said she could remember the active lobbying on both sides during the 2008 vote for these special purpose taxes; she felt if the questions were now combined, there would be no way to gauge the public's response to the affordable housing initiative. Thellman said if the political will of a future commission changes, there could be problems if the taxes were combined. Sturtevant said it could also be a good thing if the taxes are combined, to provide some flexibility for changes in transit or affordable housing. Oury said she would rather just fight her fight for affordable housing than also try to advocate for transit at the same time, if the questions were combined. Thellman asked if the bike-pedestrian advocates would feel left out if the taxes were repurposed for affordable housing. Oury said she felt bike and pedestrian uses would be covered under the 0.3% infrastructure tax. Toomay said there is a draft spending plan for the infrastructure tax. Stultz asked if there was a draft spending plan for the affordable housing tax. Toomay said no, there was not currently a plan without having the housing study results to indicate the need across the housing spectrum.

Toomay asked the board if they felt the ballot language would cover various types of affordable housing programs such as vouchers or UniverCity, for example. Boley said the language includes a catch-all, and the City Commission would be body to determine if a project would meet the guidelines.

Oury commented on the 2018 federal budget eliminating CDBG and HOME funds, both which are currently used in the city to fund affordable housing programs; if HOME is eliminated, LDCHA would have no funds available to assist the homeless. Buford indicated she recently attended the Kansas Housing Association meeting which had lobbyists for affordable housing who indicated CDBG and HOME would not be totally eliminated, but could suffer significant cuts. Toomay asked if language should be included to enhance or replace existing CDBG and HOME funded programs. Boley felt the language covered all programs sufficiently. Toomay said she just wanted to make sure if the CDBG and HOME program funding was cut at the federal level, Dresslar and Karr's wages would still be paid.

Stultz said he did not know if there was enough broad based support for affordable housing to have the .05% sales tax question by itself; he felt combining it with one of the other two would have a better chance politically of having it approved. Sturtevant felt if the AHAB was recommending combining some of the questions, it would be better if all the questions were combined into one. Boley said if all the questions are combined, then for ten years there will be discussion on whether there was support for just affordable housing; he felt the city needs to know if the community supports the affordable housing initiative. Buford said there would also be several opportunities to have the election again if support was not shown on this ballot. Stultz said he was afraid people would not vote for it because there is no plan on how to spend the \$10.5 million over the next 10 years. Zimmerman said that is where campaigning and voter education becomes important.

Sturtevant asked if it was important in which order the three ballot questions were listed. Toomay said she thought the questions would be on the back of the ballot, after the candidates. Boley said there was no one order for candidates across all ballots. Toomay said she would have to confirm if that rotation also applied to the ballot questions, but she did not think it was the case for questions. Oury asked what the current sale tax rate was. Boley said 9.05%, or 10.05% in certain incentive areas. Oury asked if these questions would keep the same tax level. Toomay said yes. Oury asked about the recently passed school district bond. Toomay said the school district bond was property tax, not sales tax. Oury asked how many other taxes were proposed to be raised. Toomay said it was a fair question, and the number might increase if the question waited another year. Boley felt the .05% was driven by the other two special purpose tax renewals, which if they do not pass there would be a break in revenue for infrastructure and transit.

Buford said the housing study is key to having a plan on how to spend the tax proceeds. Boley asked where the AHAB was on expanding the number of board members; he felt a key part was having all the partners together in a group to make funding decisions, including Realtors, KU, and the Chamber of Commerce. Sturtevant asked if it would be helpful to have a list of priorities, similar to the infrastructure project list. Boley said they could talk about the spectrum of need and what types of solutions are available to address problems faced by different income sections of the community. Thellman said the campaign should be kept really simple, but there should be a good, solid answer to what the money was going to be used for. Boley said given the ballot language, it was important to say the current commission cannot obligate future commissions to specific programs. Toomay said the board would have until April 2019 to provide a list of programs to recommend to the City Commission; maybe the AHAB could have a list of priorities prepared by April 2018. Oury cautioned against getting too far out in front of future RFPs by creating a list of programs now.

Oury moved to approve the ballot question language as proposed and recommend it to the City Commission. Ortiz seconded the motion. The motion passed 8-0.

5. Other New Business / Future Business

Toomay said the application for the 2017 HTF was posted on Friday, June 9th with a deadline of noon on July 7th to be returned. The applications would be reviewed at the July 10, 2017 meeting of the AHAB. Thellman, Boley, and Stultz indicated they would be able to attend the July 10 meeting, with Sturtevant available to vote by phone.

Boley asked about the timeline of invitations to expand the AHAB. Toomay said a memo would be prepared and presented on a future City Commission agenda.

Oury asked if anyone has applied for the currently vacant seat on the AHAB. Karr indicated there was one new applicant contacted to inquire about qualification, but no response had been received.

Boley left the meeting.

Toomay presented the board with an updated Economic Development Policy Affordable Housing Eligibility which now contains language regarding student eligibility, to align with LDCHA policies. Karr indicated the update also included the 2017 Income Eligibility Limits from HUD.

Buford presented the board with a handout detailing the results of the demonstration project on La Salle St., where 21 people are now housed in the one new six bedroom homeowner unit constructed by Habitat for Humanity and two new rental units constructed by Tenants to Homeowners. Oury said these are the types of stories the AHAB needed to share with the public.

Thellman asked about the rules on campaigning for the ballot question on affordable housing; would a campaign committee be created to fundraise for and produce marketing materials. Oury indicated she could not use federal funds for lobbying. Toomay said she would speak to the City Attorney's office about preparing a memo on campaigning regulations, to present at either the July or August AHAB meeting. Ortiz asked if Justice Matters could be the campaign committee. Sturtevant said they could potential help a committee.

6. Next Meeting

The next meeting will be on July 10, 2017.

7. Adjourn

Thellman moved to adjourn the meeting. Oury seconded the motion. The motion passed 7-0 at 12:09 pm.

Future Meeting Dates / Tentative Agenda items

July 10, 2017 - 2017 HTF application review, receive and approve recommendation on housing study

August 14, 2017 – receive memo on campaign committee regulations

September 11, 2017

October 9, 2017

November 13, 2017

December 11, 2017