

City of Lawrence

Affordable Housing Advisory Board

November 13, 2017 minutes

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

MEMBERS ABSENT: Stuart Boley

STAFF PRESENT: Casey Toomay, Assistant City Manager; Diane Stoddard, 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

Paul Grahovac from Prosoco and Build Smart spoke to the board about how the Passive House movement can be used to build affordable housing.

Sara Taliaferro congratulated the board on the success of the sales tax referendum for affordable housing. She indicated Justice Matters will continue to work with community members and conduct research and monitoring in matters related to affordable housing.

Toomay read an email from Steve Ozark congratulating and thanking the board on their work, and included his suggestions for structuring the Affordable Housing Trust Fund (AHTF).

2. Approve minutes from October 9, 2017 meeting

Oury moved to approve the minutes from the October 9, 2017 meeting. Buford seconded the motion. The motion passed 8-0.

3. Monthly Financial Report

Toomay presented the board with the October 2017 Affordable Housing Trust Fund financial report.

4. Review memo on SMART Goal to reduce cost of housing by 5% over 24 months

McCullough presented the board with a [memo](#) regarding the board's SMART Goal of working with developers and builders to reduce cost of housing by 5% over 24 months. McCullough thanked Tim Stultz and Bobbie Flory for their time and effort working with City staff to identify possible areas of cost reduction.

The accompanying [spreadsheet](#) detailed construction costs identified by the Lawrence Home Builders Association (LHBA) as having increased the cost of housing over the last ten years. Staff provided comments and recommendations on the identified items, and included an estimated savings of \$2,017 on a typical 2000 square foot home valued at \$200,000; this would amount to an estimated 1% reduction in the cost of construction. McCullough said any additional savings would take significant changes to the City code, for example the installation of sidewalks on only one side of the street in new developments, instead of both sides of the street as currently required. McCullough said housing costs typically increase over time, and codes don't usually get less restrictive each year, which can add to the

cost of housing. Higher energy restrictions in the code may increase the upfront cost of construction of the housing, but could lead to far greater benefits in the reduction of monthly utility costs for the homeowner.

McCullough said the spreadsheet only addresses the costs of construction controlled by the City; there are other costs involved for the developer such as materials, profit margin, and the price of land.

Sturtevant asked the board if they were interested in recommending these cost reductions to the City Commission, or continue to work with staff to try to reach the 5% SMART Goal. McCullough said the AHAB could send a report to the City Commission with these reduction recommendations, which would require text amendments to change the affected codes. Thellman asked if increasing density by building multifamily units would be more effective in reducing costs over building single family housing. Stultz said yes, adding more units per acre would significantly reduce construction costs. Buford felt the AHAB should look at ordinance changes like a density bonus. Ortiz asked how the City would ensure these cost reductions would be passed on to the homeowner. McCullough said construction is a highly competitive industry, and the belief would be as costs reduce for builders, the sales prices would also be reduced because of the competitive market conditions. Zimmerman said Habitat would not pass the cost reductions on by lowering the sales price, but instead would use the cost savings to build additional houses. Oury said these reductions are for all housing in Lawrence, not just affordable housing; there might be some reductions good for affordable units, but would not make sense for market rate units. Oury also said she was not comfortable recommending significant code changes when there are other advisory boards charged with those duties. McCullough said staff discussed and decided they would not recommend lesser standards for affordable units, due to equity issues. Thellman asked if non-profits currently paid any fees related to development. McCullough said the City had a cost share to some programs and waived building permit fees for those.

Toomay suggested staff take the AHAB's comments on these cost reductions and bring back a memo at a future meeting. Ortiz suggested density be included somewhere in the discussion. McCullough said there will be more and better programs to spend resources on than this issue; staff has identified some changes that could be made, but they will not be significant cost reductions to address affordability. McCullough also said density already exists in the current code, and is used by developers to build affordable units. Stultz said it is difficult to get increased density approved because people don't want higher density in their neighborhoods. Toomay asked if anything needed added to the current memo to make these recommendations to the City Commission. McCullough said the recommendations could be sent to the City Commission, who would decide if they should direct staff to begin the text amendments.

Buford moved to send the memo to the City Commission with the recommendation to direct staff to make the necessary code changes. Davis seconded the motion. The motion passed 8-0.

5. Discuss adding alternate members to the board

Stoddard gave an update on the potential of adding alternate members to City Advisory boards. The City Commission has not taken up the issue of alternate members yet; staff will present a report on alternate members to assist with meeting board quorums, but it would be for boards which have decision making authority.

Ortiz asked about the status of adding the additional members to the board. Toomay said staff has a draft ordinance prepared which included adding the new members and removing the City Commissioner position; the draft ordinance is ready to be presented to the City Commission for review.

Oury asked how an alternate member would be knowledgeable enough to be able to step in and vote when needed. Stoddard said in other situations reviewed, the alternate would attend all of the board meetings to remain up to speed.

The AHAB discussed the possibility of adding other agency representatives to the board. Toomay reminded the board they previously created a list of community partners, and those could be invited to a future board retreat. The AHAB directed staff to submit the draft ordinance, without including alternates, to the City Commission for review.

6. Other New Business / Future Business

Toomay informed the board Stoddard would now be the liaison to the AHAB, due to organizational changes in responsibilities in the City Manager's office. The board thanked Toomay for all of her work as the liaison.

Oury thanked Justice Matters and Sara Taliaferro for their work on advocating for the affordable housing sales tax referendum.

7. Next Meeting

The next meeting will be on December 11, 2017.

Ortiz indicated she would not be able to attend or call in for the December AHAB meeting.

8. Adjourn

Oury moved to adjourn the meeting. Stultz seconded the motion. The motion passed 8-0.

Future Meeting Dates / Tentative Agenda items

December 11, 2017 – Review HTF applications

January 8, 2018

February 12, 2018

March 12, 2018

April 9, 2018

May 14, 2018

June 11, 2018

July 9, 2018

August 13, 2018

September 10, 2018

October 8, 2018

November 12, 2018

December 10, 2018

These minutes were approved by the Board December 11, 2017.