

City of Lawrence

Affordable Housing Advisory Board

April 9, 2018 minutes

MEMBERS PRESENT: Rebecca Buford, Dana Ortiz, Shannon Oury, Tim Stultz, Matt Sturtevant, Nancy Thellman, Erika Zimmerman, Susan Cooper, Sarah Waters, Thomas Howe

MEMBERS ABSENT: Ron Gaches

STAFF PRESENT: Diane Stoddard, Assistant City Manager; Scott McCullough, Director of Planning and Development Services; Danelle Dresslar, Community Development Manager; Jeff Crick, Planner II; Brad Karr, Community Development Programs Analyst; Danielle Buschkoetter, Strategic Projects Manager

Chair Sturtevant called the meeting to order at 11:05 am.

1. Public Comment

There was no public comment.

2. Approve Minutes from March 12, 2018 meeting

Howe moved to approve the [minutes from the March 12, 2018 meeting](#). Stultz seconded the motion. The motion passed 7-0.

3. Monthly Financial Report

Stoddard presented the board with the [March Financials](#).

4. Housing Study presentation and discussion with BBC Consulting

Jen Garner, Senior Consultant with BBC Research & Consulting, provide the board with a [Housing Market Study Update presentation](#).

Thellman, Oury, and Waters arrived at the meeting.

After reviewing the preliminary survey findings in the presentation, Garner asked the board to comment on their perspectives of the housing market, both rental and homeownership. Howe indicated the most in-demand segment to purchase in Lawrence was for the price point under \$200,000; there is less than one month of inventory and houses are sold in one day. Garner asked if investors were purchasing the properties in this price point. Howe said no, the investors were not even getting a chance, and the properties were not of value to an investor when sold over the asking price. Garner asked if this was a relatively new phenomenon. Howe said the real estate market was very cyclical, and we were now in a very strong seller's market. Stultz said he could not develop and build anything 2000 square feet for under \$200,000. Garner asked what made it difficult to build under \$200,000. Howe said it was the cost of materials. Stultz said there were multiple increased line item expenses such as land prices, the limit in the growth direction, policies of not annexing, and available infrastructure are all driving the difficulties. Garner asked if there was an issue with credit access for homebuyers. Howe said it had not changed, with the pool of people who want to buy homes generally being qualified to borrow money.

Garner asked about the demand in the rental market. Stultz said his particular model was not student housing; he focused his starter homes as being apartments. He did not market to students, but instead tried to capture those people who cannot buy a house, or those who waited longer in life to start a family or buy a house.

Garner asked what types of households were the most difficult to find housing. Ortiz said those making less than 30% AMI. Zimmerman said for Habitat it was those between 30%-60% AMI who had not made smart financial choices in the past and were not able to get a traditional loan from a bank. Oury said she had seen an uptick in the difficulty of finding housing for those with a Section 8 voucher. Sturtevant said it was also difficult to find accessible housing for those with a disability. Zimmerman said she had seen more demand for larger housing to accommodate larger families. Oury said it is hard to find large four bedroom plus units, but strangely the longest LDCHA waiting list was for one bedroom units.

Howe left the meeting.

Garner asked about the process of finding housing for those people who need accessibility features. Sturtevant said they had one person in their congregation who had to move to another community because of the inability to locate housing with the required accessibility features. Buford said they had 20 accessible units for those with disabilities, but there was a two year waiting list. Oury said they had several units built in the 1970's which could not be converted to fully accessible because of structural design. Garner asked if the market rate units built since ADA are being occupied by those needing accessible features. Stultz said only on occasion were the required accessible units occupied by those with a disability; he rented those units last, but many times it came down to not being rented to an individual with a disability.

Garner asked about the capacity of housing for those fleeing domestic violence. Buford said the shelter had capacity, but found it difficult to locate affordable transitional housing out of the shelter. Oury said they had 10 vouchers for domestic violence, all of which were full. Oury said they did have difficulty with the five vouchers for kids aging out of foster care; not difficulty filling the voucher, but difficulty with being housed successfully because of the lack of supervised units, and some kids were not ready to rent independently.

Garner asked if the lack of case management was a challenge for all special needs populations. Zimmerman said yes, one of their concerns was supporting homeowners once they had moved in; they provided education on the front end before buying a house, but did not have the funding for staff to provide back end support after the purchase. Buford said the special needs population needed supportive service housing.

Garner asked what concerns landlords had in providing affordable units for special populations, such as evictions, damage, or safety concerns. Oury said all of those were concerns to landlords. Buford said Kansas law was very pro-tenant; landlords did not want to take the chance. Garner asked what it would take to develop the support needed to house these special populations. Ortiz said it was not just financial; there were other difficulties such as mental health issues, income problems, or lack of ever having a successful living situation. Buford said the agencies were ready to start offering programs to address the issues, but there was a lack of funding. Ortiz said she was most worried about families with children; divorce economics were creating situations where a now split family could make it on their own. Ortiz said the City's policy on three unrelated individuals in a RS zoned district inhibited two single domestic violence survivors from moving in together with their kids.

Garner asked what the community's feeling would be on loosening the 3 unrelated individuals' policy. McCullough said it would be difficult to loosen. Oury said the policy was created to stop student housing

from creeping into single family neighborhoods. McCullough said four unrelated individuals were allowed in multi-dwelling zoned districts, and the policy was similar to how accessory dwelling units are not allowed in some of the smaller zoned districts, do to push back from the neighborhoods.

Garner asked if it was difficult for families who are breaking up and need support to find the local social service agencies. Ortiz said no, the local agencies who provided support are well known. Oury said there was a local map listing all of the social service agencies and how to get in touch, categorized by the type of services offered.

Garner asked about housing circumstances for seniors in Lawrence and if they were able to age in place, or move if they wanted. Buford felt there were many seniors who were over-housed, and could not maintain the property; they needed to downsize, but there was not a lot of opportunities. She said there were a lot of higher-end senior units being built right now, but most of the seniors did not fall in that income category. Sturtevant said the downsizing opportunities were more expensive than their current situation. Buford agreed and said the seniors did not end up moving, which was not good for the stock of affordable units. Stultz said in 2008 he built a development of small, efficient units and expected the occupants to be students, but 20% was occupied by seniors when it opened; Stultz said the next rental community he built would probably be geared toward seniors.

Garner asked Cooper who she thought is having a hard time finding housing among her friends and neighbors. Cooper indicated she lived in North Lawrence and felt the neighborhood offered a huge variety of housing options. She said she had personally watched a rental be damaged by years of tenants, to the point it was unlivable and foreclosed by the bank. Cooper said she also experienced living in a rental unit where the landlords could not maintain the property as they aged.

Garner asked Thellman about her thoughts on the housing situation. Thellman said the county had done a significant amount of work on issues dealing with supportive services and mental health problems. Thellman said there was a county referendum coming up soon attached to a jail expansion, which was causing a lot of angst in the community, and the outcome would determine whether the county could accomplish the proposed new programming and supportive services. Garner asked if the outcome was dependent on the referendum for the funding piece of the programs; Thellman said yes. Thellman said she also heard from people who would love to downsize to a condo, and saw living in downtown Lawrence as a great future destination, but could not find affordable units.

Garner asked if access to transportation was an issue for certain populations. Oury said the extremely low and very low income families lived so close to the edge of their ability and any major car repair would be outside of their means. Oury said the City had a good transit system, but it would be very difficult for a single mom to get her children to daycare and get to work. Ortiz said there were three components to the huge homeless family situation in Lawrence; income, transportation, and childcare.

Garner asked if there were any other populations or housing issues to discuss. Buford said the need to expand workforce housing, for lower income families to be able purchase a home and build equity. Sturtevant said other systemic problems affecting affordable housing included gentrification, Airbnb, and cuts to federally funded local programs. Buford felt they also needed to address density and should come to terms as a community of what additional density options would be acceptable. Thellman indicated she would like to see a land inventory. Waters said it was very concerning to her all of the student housing continuing to be built, because KU's enrollment was not going up. Waters said building student housing was an easy way to turn a whole lot of money really fast, and a lot of KU students would pay high dollar for amenities. The students move to what is newest and best, leaving empty buildings. Waters felt the continuation to allow that to happen, as a community, if very challenging. Buford said there was an opportunity to rehab the older units into affordable units, if funding existed. Oury said she had not seen student housing developments becoming available to purchase.

Garner asked if typically a certain number of units, or the size of the units, built in a development indicated it was student housing. Stultz said to him, if the units were leased by the bedroom it is considered student housing. Waters said student units sometimes would come furnished. Garner asked if the housing units on campus were restricted to certain students. Waters said right now there was no specific graduate student housing on campus; units were available to all students, and KU would be opening 700 new beds this fall.

5. Transparency – meeting time, video recording, etc.

Sturtevant asked the board if they were interested in occasionally changing the time of the meeting to potentially allow other members of the public the ability to attend the meetings, or to have staff video record the meetings. Stultz asked if the public had a method of emailing comments to the board, in lieu of moving the meeting time. Stoddard said yes, each member's email address is listed on the website for the board, and a dedicated email address to reach all the members could be created. Thellman asked if this discussion had come out of a citizen complaint. Sturtevant said no, just a recognition of the need to be transparent, available to public engagement, and accountable for tax payer's dollars as was possible. Ortiz said making an evening option available on occasion could be useful. Stultz said they were a recommending board to the City Commission; the public had the opportunity to attend the City Commission meetings in the evening to voice an opinion.

Thellman asked what it would cost to record the meetings. Stoddard said an estimate of the cost would be around \$1,000/year, but the challenge would be to set up the room with microphones in the current seating configuration; the room was more focused on having the board members sit at the dais. Sturtevant asked if there was another room available for the meetings. Stoddard said not with the technology to video record and broadcast live.

Oury said the Community Development Advisory Committee met in the evenings and rarely ever got any public comment. Stoddard said staff was aware of the need for accountability for the funds, and in addition the Sales Tax Audit Committee would also be reviewing the expenditure of the sales tax dollars.

Oury said she felt in the past the turnaround of the board receiving applications for funding and the allocation decisions had been too quick, without giving the public enough time to review and comment on the applications. Ortiz suggested having a dedicated meeting to solicit public comment on the applications before the board would make any allocation recommendations.

Stoddard asked if the board had a desire to begin video recording the meetings. Buford said she felt creating a dedicated email address for the entire board, and having a public comment meeting on applications for funding were enough without adding the video recording. Oury agreed and said she would hate to cost the City money to video record meetings which nobody would watch.

Stoddard said she would proceed with taking the first steps toward additional transparency as discussed.

6. Quick Updates

a) Board Expansion

Stoddard said the City Commission received the board's request to expand the membership by one. The City Commission directed staff to draft an ordinance to accomplish the expansion. The first reading of the ordinance would be on the April 10, 2018 City Commission agenda, and the second reading would be on the April 17, 2018 meeting.

b) Updated [2017 Wage Table](#)

Crick explained the update to the wage table originally created at the board's 2016 retreat; the table had been updated to 2017 dollar values. Sturtevant asked if BBC had a copy of the table. Stoddard said she would make sure they received a copy.

7. Other New Business

Stultz said he received a letter from David Cronin about the 2018 updates to specifications and standards in construction, and wanted to know if these updates were reviewed in how they would affect affordability. McCullough said he was not sure. Stultz said the letter referenced KDOT specs, and asked if staff could check to see if an affordability review was conducted. McCullough said he would check.

Oury indicated HUD had released the new 2018 income guidelines.

8. Next Meeting / Future Agenda Items

The next meeting will be on May 14, 2018.

9. Adjourn

Oury moved to adjourn the meeting. Buford seconded the motion. The motion passed 9-0.

Future Meeting Dates / Tentative Agenda items

May 14, 2018 – BBC market analysis

June 4, 2018 – BBC allocation workshop, 1-5pm

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 May 14, 2018.