

# City of Lawrence

## Affordable Housing Advisory Board

### May 14, 2018 minutes

MEMBERS PRESENT: Susan Cooper, Ron Gaches, Edith Guffey, Thomas Howe, Dana Ortiz, Shannon Oury, Tim Stultz, Matt Sturtevant, Nancy Thellman, Sarah Waters, Erika Zimmerman

MEMBERS ABSENT: Rebecca Buford

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

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Chair Sturtevant called the meeting to order at 11:02 am.

#### **1. Public Comment**

There was no public comment.

Sturtevant introduced a new board member, Edith Guffey.

#### **2. Approve Minutes from April 9, 2018 meeting**

Gaches moved to approve the [minutes from the April 9, 2018 meeting](#). Howe seconded the motion. The motion passed 11-0.

#### **3. Monthly Financial Report**

There was not an updated monthly financial report this month, but Stoddard said in the future the report would be available publicly online.

#### **4. Housing Study presentation and discussion with BBC Consulting**

Heidi Aggeler, Managing Director of Housing & Community Development with BBC Research & Consulting, provided the board with a [Housing Market Study Update presentation](#).

Gaches asked if the decline in 20-24 year old Lawrence residents were primarily students or non-students. Aggeler said the Census data only included permanent residents, so the decline would probably be non-students.

Gaches asked why an investor would use an all cash transaction to purchase an investment property, with interest rates being so low. Aggeler said it could be due to investors reinvesting excess cash. Howe said long-term investors would hold property and then do a tax-deferred exchange, which is a cash transaction. Stultz said he had seen retired people come back to Lawrence and buy a house with cash.

Gaches asked what the emerging trends in housing were in other markets. Aggeler said cooperative communities, land trust communities, seniors living together in shared environments, tiny home villages, and accessory dwelling units.

Ortiz asked if the 17% decrease of those in poverty included only people who were housed. Aggeler said yes, Census data only contained housed individuals, not homeless. Oury said it was also hard to count those doubled-up in housing. Ortiz said Family Promise's database tracked those who indicated they were staying with someone. Oury said the school district would also be a good data source for the number of homeless children.

Howe asked how BBC avoided including scam postings on Craigslist in the data. Aggeler said the scraped data from Craigslist is only minimally used to understand per room student unit prices; the majority of the rental data came from the surveys and Census data.

Oury asked if BBC had the percentage of units rented by the bedroom in relation to the total rental market. Aggeler said they know the median price of units rented on a per room basis, and the distribution from Craigslist; they can tell what the proportion is by looking at the distribution. Oury wondered if you remove the rent by room units, what is left on the market for families or seniors and at what price points.

Gaches asked about the 76% of landlords owning five or fewer units; what percentage of total units did those represent. Aggeler said the landlord survey was voluntary, and would not include the data of percentage of total units in the market; she said she would review the focus group information to determine representation of both large and small owners.

Stultz asked if housing construction costs could be compared from 2001 to 2018, possibly using building permit data. Aggeler said BBC had previously conducted some comparisons of construction cost data for other communities, and while some materials such as concrete had greatly increased, the majority of the cost increase was in labor.

Waters asked if the data could report where income was earned, such as locally or out of town. Aggeler said it was not asked in the survey, and you would often lose respondents when you began asking information about income. Aggeler said some Census data could provide information about commuting, but it could be difficult to interpret.

Gaches asked how much of an influence student housing was on the price of housing. Aggeler said one benefit of having a major university was people wanted to come there; the community would probably not see the same price pressures without the university, but people would not want to live there either.

Gaches asked what other communities were doing to impact the marketplace in ways to increase the stock of affordable housing. Aggeler said adding to the inventory of affordable housing could include acquiring land for housing, repurposing land for housing, tax increment financing projects requiring affordable units, or inclusionary zoning. Aggeler said the number one producer of affordable units by volume would be inclusionary zoning, but it was very controversial. Stoddard noted the State of Kansas had preempted the use of inclusionary zoning. Aggeler said other states had also preempted inclusionary zoning, but communities used other incentives to encourage voluntary contribution to affordable housing, such as density bonuses, fast-tracking development review, or relaxing design requirements.

Waters said KU was not anticipating student enrollment growth. She asked if BBC had the vacancy rate by apartment complex; as students gravitated to the newer built student housing units, older complexes might have a higher vacancy rate. Waters asked if something could be done with the older complexes to redevelop them for families, or if student housing should even continue to be built in the city. Aggeler said vacancy rates by complex would need a survey of the complexes to be determined. Waters said she had seen vacancy rates by complex in another community based on utility information.

Aggeler said a community could form a partnership with landlords to fund the retrofitting of older apartment complexes into affordable family housing.

## **5. Quick Updates**

### **a) Update on ordinance change to add a board member**

The ordinance change was completed and Guffey was added as a new board member.

### **b) Reminder of June 4, 2018 study session 1-5pm**

### **c) Memo on the 2018 Revisions to Specifications and Standard Details impact on the cost of housing**

McCullough said staff's opinion was the impact was minimal on the cost of housing.

### **d) State of Kansas subsidized housing list**

This was provided by the State of Kansas and lists subsidized units in Lawrence containing various types of state funding. Staff will continue to monitor and update the list as more information becomes available.

## **6. Other New Business**

Oury said she was the chair of the affordable housing subgroup for the Community Health Plan, and would welcome any board member to assist with the subgroup.

Sturtevant informed the members he was resigning from the board to concentrate on his doctoral thesis, effective immediately. Sturtevant thanked the board members and staff for all of the work completed so far to increase access to affordable housing. The board members applauded his service as chair of the board.

## **7. Next Meeting / Future Agenda Items**

The next meeting will be on June 4, 2018, 1-5pm.

## **8. Adjourn**

Gaches moved to adjourn the meeting. Oury seconded the motion. The motion passed 11-0.

### Future Meeting Dates / Tentative Agenda items

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: June 4, 2018