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Lawrence, KS 66049



Lawrence Home Builders  
PO Box 3490  
Lawrence, KS 66046

April 5, 2019

Ron Gaches  
Chair, Lawrence Affordable Housing Advisory Board

Dear Chairman Gaches,

First and foremost, thank you for your work on the Affordable Housing Advisory Board. Housing affordability is a complex issue and the creativity and collaboration the AHAB has shown in its approach has been refreshing to see.

We wanted to bring to the attention of this group a matter which is working its way through other deliberative bodies but which will undoubtedly effect the work of the AHAB.

In brief summary, in Chapter 2 of Plan 2040, the City's comprehensive plan which is currently being considered by the Planning Commission, the City has divided development into three tiers. Tier 1 is current City limits; Tier 2 is comprised of areas adjacent to current City limits and serviceable by current infrastructure; Tier 3 is the remainder of the identified Urban Growth Area, which would require additional infrastructure investment. In Plan 2040, the City is prioritizing infill development and, we believe, discouraging Tier 2 or Tier 3 development by creating a policy which provides that new development may only receive City services by annexing into the City, and that annexation will only be permitted when the requesting party establishes that the development both satisfies an established community need AND the developer provides a "community benefit". In deliberations, what constitutes a community benefit has been left relatively undefined and seemingly broad, but would include things such as permanently affordable housing, public parks, preservation of sensitive lands or creation of primary employment opportunities.

While on the surface, these community benefits seem like admirable goals to attach to new developments, we have serious concerns about how this requirement will impact our community's ability to meet housing needs.

First, as many of you are well aware, due to a variety of factors including land costs, materials, labor and City fees, it is nearly impossible to build a single family home in Lawrence for

less than \$200,000. We are concerned that adding this additional requirement will either result in developers passing these additional costs on to market buyers by building larger houses where they can make up the loss, or will deter this construction altogether. The Planning Commission heard pretty extensive testimony at its March meeting from homebuilders confirming this.

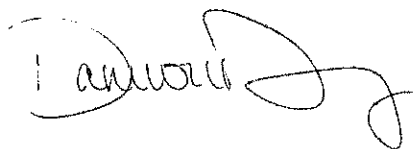
Second, we know from the comprehensive housing study that was presented to AHAB last fall, that Lawrence has a population of roughly 2,000-3,000 who currently rent but want to buy a home and who could afford a home between \$110,000 and \$262,000, but Lawrence does not have sufficient inventory in that price point to meet that demand. The Housing Study also reflected that the median purchase price for a home in Lawrence has gone up from \$129,000 in 2001 to \$239,700 in 2018. Creating more moderately priced, workforce housing to accommodate the needs of this population opens up the rental market they now occupy and may create more opportunities for the kind of rental subsidies this group has discussed.

Third, by prioritizing the limited number of infill lots available within City limits over allowing for growth in the already serviceable Tier 2, we artificially inflate the market value of those lots. This makes already expensive land purchases in Lawrence even more expensive and creates another hurdle to the good works of nonprofit housing providers in creating permanently affordable housing.

They say a rising tide lifts all boats and we believe that applies to housing affordability. To that end, we believe that our community's affordable housing goals are better met by focusing on meeting the identified needs of our local workforce. By lifting them into affordable and accessible homeownership, we open new possibilities in the rental market to address the needs of our lower income neighbors. Meeting the demand for moderately priced housing simply cannot happen by adding to the cost of the development the expense of requiring public amenities. In our opinion, such a requirement flies directly in the face of the work of this body to facilitate affordable housing in Lawrence.

For the foregoing reasons, we think the Affordable Housing Advisory Board's work will be impacted by this policy and should have a voice in this discussion. Unfortunately, we are not able to attend the scheduled meeting on April 8 but we would welcome the opportunity to present more on this proposal to the Board or to answer questions from the Board's members either at an upcoming meeting or in smaller discussions.

Thank you again for your efforts on this complex issue.

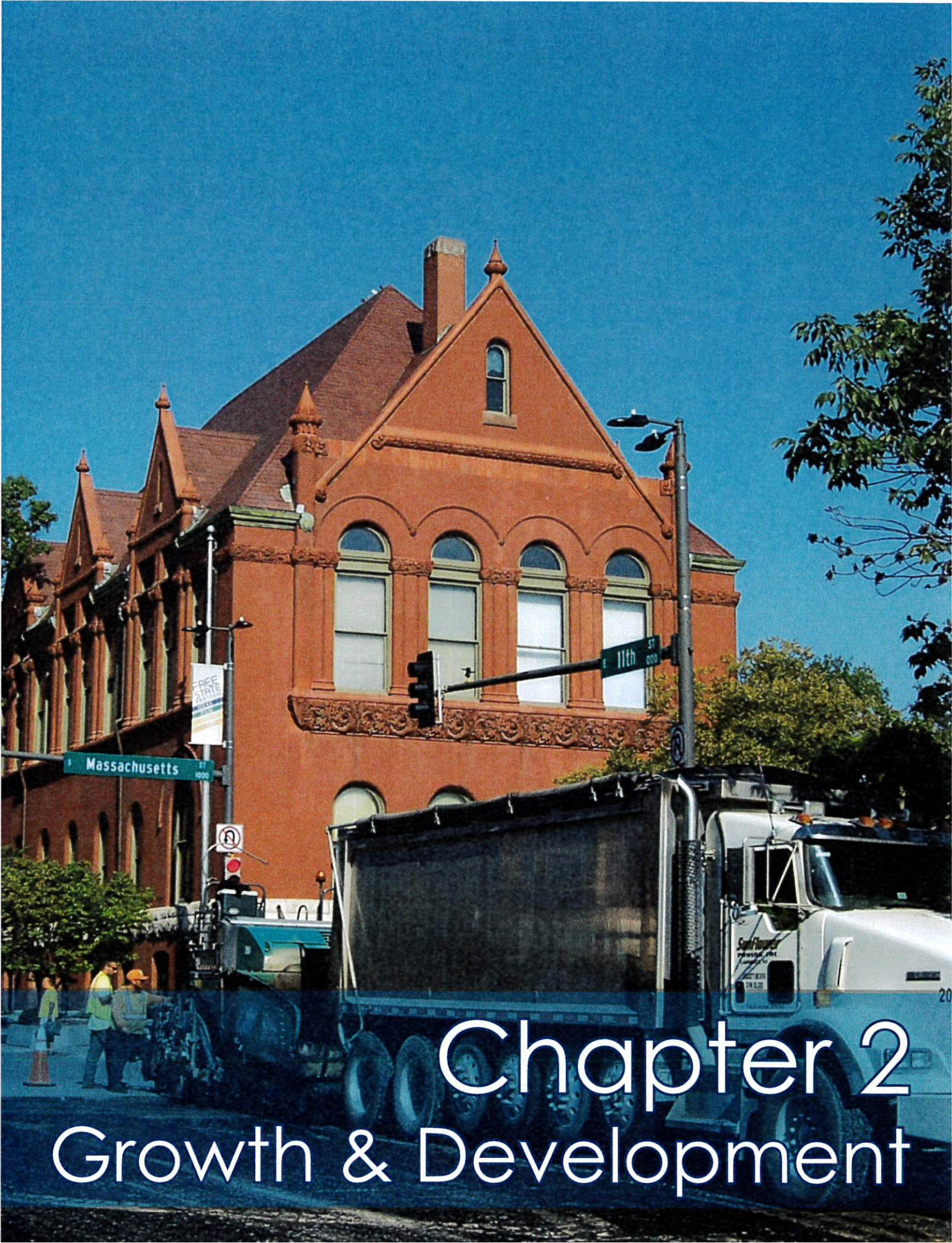


Danielle Davey  
Governmental Affairs Director  
Lawrence Board of Realtors®



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Lawrence Homebuilders Association





# Chapter 2

## Growth & Development





## Lawrence and Douglas County Growth Tiers

This plan establishes two tiers of Lawrence growth areas based on the availability of infrastructure and utilities in order to develop in a sustainable, cost-effective manner, and one future growth area.

### Tier 1 (Within Lawrence)

- Within Lawrence City Limits
- Readily serviceable with utilities (water, sewer, stormwater) with minor system enhancements
- Serviceable by fire with current infrastructure
- Develop to suburban and urban standards per adopted plans and policies

### Tier 2 (Lawrence's Growth Area)

- Within the Urban Growth Area and requires annexation
- Readily serviceable with utilities with minor system enhancements necessary for development
- Serviceable by fire with current infrastructure
- Develop to suburban and urban standards per adopted plans and policies after considering infill opportunities

### Tier 3 (Future Lawrence Growth Area)

- Develop to rural standards while planning for future urban growth at a point beyond this plan's time horizon
- Major utility system enhancements necessary for development (e.g. treatment plant, water tower)
- Requires investment in fire infrastructure and personnel

## 2. Growth & Development

### A. Growth Management

#### VISION

Our vision is to manage growth within the city by capitalizing on in-fill opportunities and directing growth to new areas where infrastructure is planned to be cost-effective and sustainable, while maintaining existing residents' quality of life. Our vision is to manage growth within rural Douglas County by encouraging agricultural uses and accommodating the demand for other compatible uses while protecting environmental resources.

#### GOALS

**Retaining the rural character of Douglas County** is vital for our community.

#### 1. Protect and preserve rural character through compatible design, conservation, and strong growth management principles.

- 1.1 Conserve the visual distinction between urban and rural areas throughout Douglas County.
- 1.2 Seek conservation of identified natural resources that define Douglas County's rural character.
- 1.3 Identify and adopt appropriate land division and zoning regulations that support rural character and development patterns.
- 1.4 Minimize agricultural land conversion to other non-agricultural uses.
- 1.5 Cluster residential developments to preserve agricultural lands within urban growth areas.
- 1.6 Maintain working lands and [high-quality agricultural soils](#) for future generations.

Defining the potential areas for growth is key to ensuring efficient and adequate development takes place. Identifying **3 tiers of development** for land in and surrounding Lawrence is based on planned availability of infrastructure and utilities to develop in a sustainable, cost-effective manner.

#### 2. Direct growth in alignment with planned infrastructure, prioritizing in-fill development before expanding through annexation, while ensuring



**community needs are met through benefits provided as Lawrence grows.**

- 2.1 Tier 1 is prioritized for development at any time.
- 2.2 Tier 2 land shall only be annexed if the need to accommodate demand is established, and if a community benefit is provided. Consider community land use inventories, market sector health, and residential valuation to income ratio, among other factors, when assessing need for annexation.
- 2.3 Tier 3 is not designated to be annexed within this plan’s time horizon, unless the proposal is found to be the **only way** to address an identified community need and provide community benefit(s).

**Proposed annexations** shall be considered when they are in the best interest of Douglas County and Lawrence residents. While growth generally is considered to be good because it expands the tax base, accommodates an increasing population and involves more people in the political processes, it also can have financial implications for the community. The financial considerations of providing and maintaining infrastructure and services to a new area could place an additional burden on existing municipal residents if it is not fully accounted for by the development.

**3. Annexation into Lawrence shall be economical and efficient for all parties.**

- 3.1 Lawrence should annex ‘unincorporated islands’ which are completely surrounded by the city and where infrastructure can be extended.
- 3.2 The City shall require property owners to annex to receive city water, sanitary sewer, and/or sanitation service.
- 3.3 Require development contiguous to city limits to annex and develop to urban standards when city services are reasonably available.
- 3.4 Require rural development not annexed in Tiers 2 and 3 to agree not to protest future annexation.
- 3.5 Annexations shall maximize the return on the City’s infrastructure investments and business incentives, while protecting and expanding the tax base.
- 3.6 Annexations and service delivery shall align with the adopted [Lawrence Capital Improvement Plan](#), Lawrence utility master plans, and adopted development policies.

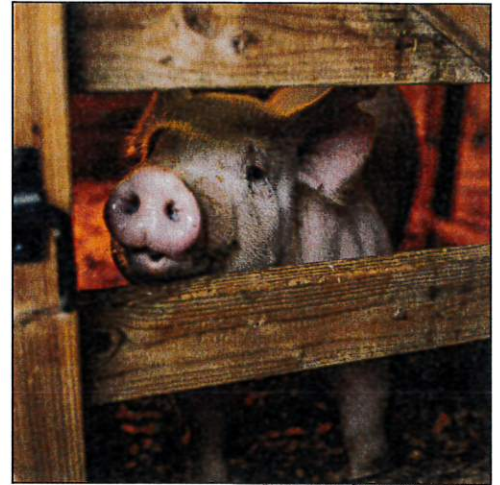


Photo by A. Shafer Photography



**What is a Community Benefit?**

A community benefit may include:

Creation of permanent [affordable housing](#), or provision of a land donation to the Housing Trust Fund.

Provision of land, amenities, and/or facilities for a public purpose such as parks, public safety facilities, education facilities, cultural and arts amenities, utility enhancements, etc. above that required to serve the development.

Preservation of significant amounts of environmentally [sensitive lands](#) above that minimally required by code.

Creation of primary employment opportunities.





Photo by A. Shafer Photography



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- 3.7 Annexation requests shall include a service delivery plan that identifies the impact of growth on city services (utilities, emergency services, transportation services, etc.) and must demonstrate how the project will address any outcomes.
- 3.8 Annexation requests shall include a community benefit(s) identified in consultation with staff based on the needs of the community, and in the context of what the annexation request can support. Collaboration between the developer and governmental and community partners and programs is encouraged in the implementation of providing the community benefit(s). The community benefit(s), including the provision method, shall be considered by the Planning Commission, approved by the City Commission, and included in an annexation agreement.
- 3.9 Annexation requests for existing developments seeking infrastructure shall be reviewed in the context of the annexation policies and may not require a community benefit to be provided.





# HOUSING MARKET STUDY

## CITY OF LAWRENCE

September 10 and 11, 2018

### Presented by

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# HOMEOWNERSHIP AFFORDABILITY

## Owner gaps:

72% of renters earn less than 80% of AMI. Units affordable:

All homes = 41%

Condos = 70%

Townhomes = 71%

Single family homes = 34%

Projected to be 30% of inventory by 2028

Estimated **2,000 to 3,000 renters** who earn \$35,000-\$75,000, are employed and want to buy v. **250 affordable units** (sold and listed to date in 2018)

## Future affordability:

By 2028, median single family home for sale will cost \$375,000; townhomes \$240,000; condos \$128,000



# WHO IS AFFECTED

## Want to own:

- ▶ 50% of non-student renters; 11% of student renters
- ▶ Incomes of **\$35,000** to **\$75,000**, affording homes between **\$110,000** and **\$262,000**
- ▶ Aged 35-44, employed full (**61%**) or part time (**10%**), do not have children, and have small household sizes (2.2 persons/hh)

## Want to move

Young adults & students

**V.**

## Want to stay

45-54 year olds

Families w/ children