


Lawrence Board of REALTORS®

Governmental Affairs Committee

City Commission Candidate Interviews

Thursday, January 13, 2022

- 
1. Call to Order
 2. GAD Update – Danielle Davey
 - Housing/Development policy in Lawrence/Douglas County
 - New projects
 - Land Development Code revisions
 - Kansas Housing Needs Assessment
 3. Report from Thomas Howe – Affordable Housing Advisory Board
 - Congratulations to Thomas for his reappointment to the AHAB
 4. Unfinished Business
 5. New Business
 - Vice-Chairperson for 2022
 8. Adjourn

2022 Governmental Affairs Committee

<i>Crystal Swearingen, Chairperson</i>	CCR
Amy Wilson	SRE
Deborah McMullen	McG
Henry Wertin	McG
John Esau	KWI
Mickey Stremel	KWI
Mike McGrew	McG
Susan Parker	Plat
Thomas Howe	McG
Zach Schneider	HRE
Danielle Davey, GAD	Sloan
Rob Hulse, Staff Liaison	LBOR



Lawrence Board of REALTORS®

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www.LawrenceRealtor.com

August 25, 2021

Dear Commissioners,

First, thank you for your service to Douglas County. In your role as an elected official, you often face challenging issues that inspire anger and derision. You probably don't hear often enough that your work is appreciated and valued so on behalf of myself and the Lawrence Board of Realtors®, thank you.

The Lawrence Board of Realtors® believes that everyone in Lawrence and Douglas County should have access to safe, affordable housing and that everyone should be able to experience homeownership within their means. Maintaining housing affordability within our community means not only affordable purchase prices, but also manageable costs of property maintenance, utilities and taxes. The tax burden on residential rooftops is steep and every little bit continues to add layers of increases costs, escalating the costs of home ownership and decreases housing opportunities in Douglas County.

There are a number of admirable goals in the 2022 budget. However, the County will already see increased revenues under the current mill levy based on increasing property values. We would encourage the Commission to be very cautious in increasing the mill levy when housing is already quickly becoming unaffordable in Lawrence and Douglas County, particularly considering recent efforts to further constrain development.

Sincerely,

Danielle N. Davey
Governmental Affairs Director
Lawrence Board of Realtors®

Douglas County Commission Meeting
8.11.2021

Commissioners,

My name is Danielle Davey and I speak tonight in my capacity as the Governmental Affairs Director for the Lawrence Board of Realtors®. The Board of Realtors® has serious concerns regarding the text amendment you are considering tonight. As you have undoubtedly heard from realtors you know, seen in the newspaper, or perhaps experienced yourself, Lawrence – like much of the nation – has a significant housing shortage. Currently the Lawrence market has 1.2 months of inventory, which is about 3 months inventory short of a healthy, balanced market. This lack of inventory, combined with the increasing demand has resulted in an environment where multiple offers and offers over ~~listing~~ asking price are the norm, which means rapidly and artificially inflated housing prices. From 2019 to today the median sales price in Lawrence has increased from \$214,000 to \$265,000. This problem is only going to get worse and housing more expensive if Lawrence and Douglas County don't take decisive action to meet housing inventory.

I say this because while the text amendment you are considering tonight is undoubtedly well intentioned and understandable from the perspective of planning for future urban growth, it will result in additional constraints on housing development and, in particular, the development of affordable housing.

In addition, the text amendment as presented will significantly constrain landowners' use of their own property without providing any meaningful information or data to the City regarding future potential for development. The planning goals of this text amendment can be less restrictively achieved by requiring conceptual plans for future development with any subdivision request – which is an option presented but not recommended by staff. If our community truly values and prioritizes affordable housing, then we should be working collaboratively to proactively plan and facilitate the development we need, not adding additional regulatory barriers. I would encourage you to reject the text amendment as presented tonight and consider the less restrictive option.



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LBOR Talking Points for Lot Inventory – City of Lawrence, December 15, 2020

After review of the City of Lawrence list of Available Lots for Infill/Development in Tier 1, the current (12/2020) Lot List shows 661 available lots in the City of Lawrence. Following our review, we find that 180 (27%) of these lots have a barrier of some type, leaving 481 (73%) of these lots realistically available. This assumes that all newly added lots found on the list (compared to the list from last year) are developable.

Barriers we found include:

- 114 – The lot is part of a homesite – the available lot, which is owned by the neighboring homeowner, is intrinsic to the neighboring owners homesite, is naturally belonging to, or is determined to be essential to the owner's neighboring homesite.
 - 44 – Encroachments exist on the lots, i.e., a structure of some type – garage, patio, driveway, garden, etc.... from the lot owners neighboring lot.
 - 90 – Part of the Homesite and the owner's interest in selling is very unlikely.
 - 10 – Ownership would indicate the lots are unlikely to be sold and/or developed as residential because: the lots are owned by the City of Lawrence, the lots are owned by Lawrence Memorial Hospital, the lots are commercially zoned, or are owned by a church.
- 4 – A home has already been built on the site.
- 2 – The lot is not a desirable or realistically developable site, due to shape, grade, soil, slope, and/or has an issue with access.

Questions for the Planning Office:

- What is the purpose of the lot list?
- How is the annual City of Lawrence lot list used?
 - Is the lot list used as a basis for policy decisions?
 - Is the list used to influence decisions regarding annexation requests?
- What criteria does the City use to create the list?
- Does a similar list exist for multi-family lots (specifically for duplex)?
- How long does it take new inventory to become available (from application)?
- How does existing policy support or prohibit the flow of available lot inventory into the market?

Additionally, it is important to consider that a homeowner's adjacent lot might be encumbered by (secured against) the owner's financing.

The Lawrence Board of REALTORS® and the real estate professionals in the area are uniquely positioned to help clarify the accuracy of the list, and we would like to collaborate with the City of Lawrence to further investigate the discrepancy that exists. To that end real estate professionals can help to canvass privately held lot owners to fully learn a lot owner's intent, willingness, or ability to sell.

How does this impact Housing Affordability and Availability?

The City of Lawrence has publicly stated that Housing Affordability and Availability is a City Priority.

Market Conditions that impact Housing Affordability and Availability:

- The open market for housing currently shows housing availability at an all-time low, with an absorption rate consistently below 2 months of supply (currently at 0.9 months).
- Low availability creates upward market pressure on open market pricing and drives housing costs higher than we see in a balanced market with 5-6 months of supply.
- Pent up demand exists for current renters in the community who would otherwise like to purchase but cannot afford or find housing in the restricted housing market. Renters who cannot become homeowners keep the rental market inventories tight, resulting in upward pressure on rental rates in the community.

ASK – What are we asking for as a result of this information:

- Is the City of Lawrence open to collaboration from Community Stakeholders to ensure accuracy of the lot lists?
- What is the annexation rate in Tier 2 following the adoption by the City of Lawrence requiring a Community Benefit?
- Should a lift on the Community Benefit requirement be considered for annexation requests in Tier 2 until balance is restored in the Housing Market?



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March 5, 2021

Mayor Finkeldei and Commissioners,

The housing shortage in Lawrence has hit a critical crisis. Our community is seeing unprecedented housing inventory shortage and we are seriously concerned how this will impact not only housing affordability in Lawrence, but also other economic factors such as recruitment of new employers into our community.

By way of background, a balanced market has a supply of roughly 5-6 months of inventory. At this level, there is no appreciable market bias in favor of buyers or sellers. Inventory shortage is a problem nationwide, but Lawrence inventory has consistently been lower than Kansas averages and National averages. The Lawrence Multiple Listing Service (MLS) entered March 2020 with 396 listings. By contrast, as of the date of this letter, the Lawrence MLS has 52 active listings in Lawrence, approximately a 0.7 month's supply. Of those listings, only 15 are under \$250,000.

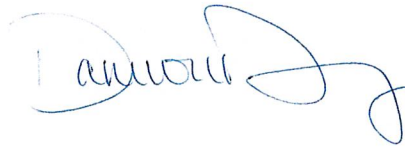
While it would be natural to assume that the pandemic is responsible for sharply declining home sales, our data does not suggest that it has been a major influencer. To the contrary, our Realtors® have encountered a number of families who, faced with new work from home arrangements and historically low interest rates, are jumping on any opportunity to "upgrade" their housing. Lacking the necessary inventory to meet this demand creates two immediate impacts:

- (1) It creates an increasingly competitive, multi-offer environment which artificially inflates the fair market value on properties and drives up the cost of housing;
and
- (2) Would-be sellers are much more hesitant to list their properties when they don't feel confident that they can find a replacement home. This further constrains inventory of existing properties.

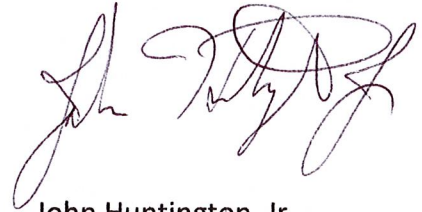
It is important to remember that housing has a natural ripple effect. When someone lists their first home to move into something to accommodate a growing family and home office space, it opens up an entry-level property which may be filled by someone who can, in turn, vacate a more affordable rental unit. Housing also has an important ripple effect into other aspects of our community. Construction and real estate are major industries, encompassing ancillary services like lending, title, home inspection and repair, etc. which contribute to the Lawrence economy. Availability of workforce housing is an important consideration for employers considering relocating or opening a new business in Lawrence. And the lack of available housing can have a direct impact on the ability of employers, including the City itself (as noted recently by Commissioner Shipley) to attract quality candidates.

So what can be done? It is critical that the City begin addressing this inventory shortage. Lawrence needs more housing inventory of all kinds – single family, duplex/triplex, accessory dwelling units – and at all price points. Planning and Development Services Director Jeff Crick told us that the process of annexing new lots and getting them development ready is approximately an 18 month process. With the very limited lot inventory, we believe the City should be proactively planning for the annexation and development of new lots and working with community partners, private and non-profit, to facilitate the building of additional, accessible housing. To that end, we think this would be an appropriate topic for a work session in the near future so the Commission can hear from City staff and community partners such as the Lawrence Home Builders Association (and its constituents) and non-profit agencies in housing about how we might begin to tackle this crisis as a community.

Sincerely,



Danielle N. Davey
Governmental Affairs Director
Lawrence Board of REALTORS®



John Huntington, Jr.
President
Lawrence Board of REALTORS®