

Bobbie Walthall

To: Rebecca Buford
Subject: RE: Request for HTF funds 2017

From: Rebecca Buford [mailto:rbufordefird@yahoo.com]

Sent: Friday, January 12, 2018 10:16 AM

To: Diane Stoddard <dstoddard@lawrenceks.org>

Cc: Bobbie Walthall <bjwalthall@lawrenceks.org>; Scott McCullough <smccullough@lawrenceks.org>; Danelle Dresslar <ddresslar@lawrenceks.org>; Bradly Karr <bkarr@lawrenceks.org>; Jeff Crick <jcrick@lawrenceks.org>

Subject: Re: Request for HTF funds 2017

Diane,

Here is a more detailed request for the reallocation of LCHT's HTF funds to attempt to receive \$500,000 more in leveraged outside grants. Please note that we will still do the small house project but it may take longer to come up with suitable sites, so it makes sense to try to leverage these funds for additional grants.

Rebecca

Rebecca Buford

Executive Director

Tenants to Homeowners, Inc.

The Lawrence Community Housing Trust

Creating Permanently Affordable Housing in Lawrence!

785-760-2058



Tenants to Homeowners, Inc. dba The Lawrence Community Housing Trust
2518 Ridge Court, Suite 103, Lawrence, Kansas 66046

842.5494 ♦ FAX 785.842.7570 ♦ lawrencelandtrust@yahoo.com ♦ www.tenants-to-homeowners.org

January 10, 201

City Commission
PO Box 708
Lawrence, KS 66044

Dear City Commission:

The Lawrence Community Housing Trust is requesting that you consider allowing the \$30,000 that was allocated for the Small House Initiative out of the first round of 2017's HTF allocations to be leveraged and possibly used for a three home rental development to serve very low income tenants transitioning out of homelessness. This change is being requested for several reasons—first, it would allow more leveraging of \$500,000 in additional funds for affordable housing in Lawrence. Second, the city is still working out a mechanism for us to be able to build more densely for affordable housing within the code. As of yet, there is no ordinance to allow a density bonus for affordable building as we had envisioned to meet targeted costs on the small units and we are hoping the city will continue to work with us to reach this goal. Finally, we did not receive some leveraged funds for the Small House Initiative that we were hoping for from the Federal Home Loan Bank. We will be able to replenish this amount, but not as quickly as we would be able to complete the rental project if we receive the federal funds from the state. We believe this would serve a critical need in Lawrence more quickly and provide housing for a more vulnerable population. This application is due February 1st and we need to have a commitment of local funds to even be considered, but we have support for this project at the state. If we do not receive the federal money, we will use the \$30,000 to complete the small houses as planned, but if the city would allow this change, this small local contribution could allow us to receive an additional \$500,000 in federal money that we could not get otherwise.

The applications LCHT will be applying for is a \$250,000 grant from state allocated Federal HOME money available to organizations that are Community Housing Development Organizations and a \$250,000 grant from state allocated National Housing Trust Fund money. This money is only available to help house those who are very low income (under 30% of AMI). This application is due 2.1.18 and awards are traditionally made in late May or early June of the same year. This project will build three single family rental houses on three vacant lots that we currently are posed to sign a purchase option agreement on. If these funds are received, we would be able to begin building all three homes in the summer of 2018 and would be complete by the end of 2018. Three single family, 2- and 3-bedroom homes will be able to provide housing for two bigger families and one smaller household that is very low income. TTH will have case management in place to work with Family Promise, Willow and the Community Shelter to move families in transition into permanent housing with support. \$500,000 in grant money will allow us to charge very minimal rents and provide support services for these



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three units. State allocated HOME money requires a minimum of a 25% match from the local community. Since the HOME money request is \$250,000, then we need to show a \$62,500 match. The \$30,000 HTF allocation as well as a donation on the acquisition price, city fee waivers and eligible state tax exemptions will provide that match. The Lawrence Community Housing Trust will also provide funding. This project is very similar to our second round request for HTF of \$150,000 to create three units of housing for the lowest income tenants with case management. The difference is that it would provide 3 larger new construction homes (a \$600,000 project) with only \$30,000 of local housing trust funds because we can receive more outside grants. This grant application is only offered once a year and is competitive, but there are a limited number of CHDO organizations that can apply. We have received 6 of these grants before and created 68 units of rental housing in Lawrence with these funds.

Either way, we will continue to design and build small affordable houses which have a great demand in Lawrence. If we are unsuccessful in receiving these rental grants, the 2017 HTF allocation will subsidize the building of the small houses on suitable sites. We currently have one site and will continue to work with the city to come to an agreement on how to make this development as affordable as possible while following all zoning requirement. Small house development across the country has had challenges in fitting in to local zoning code, and we are no exception. However, we know that affordable housing is a great need and we recommend that the commission urge city staff to figure out a way to allow affordable small site ownership development. Many other communities have created an ordinance that allows for a density bonus if a developer is creating permanently affordable housing. Researching and writing a similar ordinance would be very beneficial to local development of more affordable units. We just believe that this process may take some more time. Therefore it seems prudent to allow this allocation to be used for additional rental development if it can leverage larger grants to meet a more immediate need for very low income rental housing.

Sincerely,

A handwritten signature in blue ink that reads 'Rebecca Buford'.

Rebecca Buford
Executive Director,
Lawrence Community Housing Trust