

**SUMMARY OF COMMENTS FROM THE CITY OF OLATHE'S
NOVEMBER 12, 2008 HOUSING SUMMIT**

Prepared by Development Services Department Staff
November 19, 2008

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SUMMARY OF COMMENTS FROM THE CITY OF OLATHE'S NOVEMBER 12, 2008 HOUSING SUMMIT

Prepared by Development Services Department Staff
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INTRODUCTION

The following is a list of all the comments received at the City of Olathe's November 12 Housing Summit. Most of these comments were given by attendees during the 30 minute portion of the Summit agenda when attendees offered their thoughts about housing today in Olathe in small group (round table) discussions. The comments below were transcribed from the notes taken by the facilitators. The text of some notes were expanded upon after the Summit by the facilitators, to add clarity.

Attendees were asked to respond to the following four questions:

1. *Do you know of any regional or local housing trends that would be helpful for us to know about?*
2. *What housing issues or concerns do you want the City to know about?*
3. *What suggestions do you have for addressing those issues or concerns?*
4. *What other suggestions do you have for improving the housing situation in Olathe?*

In addition, some comments were submitted by attendees on cards in a suggestion box (along with one printed email) and one attendee emailed in additional thoughts after the Summit.

Note: These comments are those of individuals; consensus was not an aim of the Summit. These comments are those made by individuals who attended the Summit. They do not represent consensus of the attendees. In fact, some comments contradict other comments. In addition, the audience for the Summit was targeted to those working in housing-related fields—such as contractors, developers, Realtors, and financial institutions—and not the entire Olathe community.

With these caveats, some themes emerge from the comments, and the range of comments reflects the range of opinions that exist among those working in housing-related fields in Olathe.

I. COMMENTS FROM SMALL GROUP DISCUSSION

Comments are numbered for ease of reference only; the numbers do not indicate any sort of priority or importance.

Table A (facilitator: Dave Clements)

1. The City should preserve and protect what it has in the community, then look for other sources of income (for sustainability)
2. Commercial permits will be down '09, no speculative buildings will be built, add this to residential being down, and problem is worse.
3. Look at legislation, things that can be done at the state level to help locals.
4. Promote 1st time buyer programs
5. Need smaller houses at lower prices
6. Less expensive construction techniques – investigate and promote. Could this be a future item at Developers Forum?
7. Can some fees be collected at Certificate of Occupancy (C.O.) stage instead of when the permit is issued?
8. Work with owners of rental property; go easier on property maintenance issues when times are difficult.
9. The Comprehensive Plan/City Council need to prioritize smaller, more affordable homes
10. Expedite benefit districts, timely completion important
11. Swimming pools are required to be located in the middle of a subdivision, not at a edge or corner location, developers lose marketing potential not putting pools in more visible locations.

Table B (facilitator: Matt Steging)

1. Need more affordable housing (such as in the range of \$110-120K)
 - People having to go elsewhere (outside the metro)
 - How do you encourage people to stay in JoCo?
2. New jobs will increase need for construction jobs which will increase the need for affordable housing
3. Support “green building”
 - Support green building for those who favor it for environment reasons
 - But there are also cost/financial reasons, such as energy savings—it can be a good marketing tool
 - “How we should be doing things rather than how we have done things”
4. Transportation need: big need for public transportation, especially given current economic conditions, gas prices.
5. Develop walkable neighborhoods
6. Why is Northland outpacing Johnson County? Land prices
7. Growing immigrant population will require more affordable housing
8. Big need for alternative housing
9. Use City advertisement/media support (such as channel 7) for why move to Olathe? and other pertinent messages. Be proactive, with positive messages such as new incoming industry to Olathe, low interest rates.
10. Incentives are related to certain areas - should expand to city wide
11. Aging population housing needs: affordable housing, group living

Table C (facilitator: Mark Coyne)

1. Review Street Tree plans at the time of platting, not at time of a building permit application.
2. Suspend bonding requirements for amenities at this time.
3. There is a lack of communication between first floor (Building) and third floor (Planning) personnel when reviewing a building permit. Better customer service is needed. Example: 1st floor staff sending customers to 3rd floor, with no helpful communication/preparation between staff.
4. Paying by check is too cumbersome. Why is the City behind the times by not using Credit cards for paying a building permit?
5. Have a space to provide an E-mail address on building permit applications.
6. Builders/developers don't feel they are treated by the City as a customer.
7. Lack of communication on the City's standpoint on notifying the builder/developer on where their permit is being reviewed in the system. Would like proactive communication from the City, rather than the permit holder having to contact the City to find out what the status of the permit is. Would like email updates, for example.
8. The City needs a development coordinator to monitor and update the intake of permits and notify the builders/developers at each stage of City review of a residential building permit.

Table D (facilitator: Emily Kukal)

Regional/Local Trends

1. Ease entitlement [development? application?] process to aid/speed development and also make housing more affordable
2. There are local and regional transit issues. We need more transportation options.
3. Some communities outside the KC metro require that a certain percentage of a development be affordable housing
4. Support green building--not necessarily LEED certified, but in general implement a few elements of green building. Have incentives for green building.
5. Sustainable development. Need a better definition of how the City of Olathe defines sustainable development. Offer incentives for sustainable development
6. Housing providers have to increase their costs/prices due to development costs being up. This is why there is not more affordable housing.
7. Too much commercial development vacancies

Housing Concerns

8. Houses that are for sale have to be appraised every six months, which are additional costs to the seller. Example: Gardner. [?]
9. Houses are not appraising for their selling price; this slows the selling process [relates to above comment]
10. Credit market; financing are impacting both buyers and developers
11. What will the housing market be like in the future? It is hard for those working in housing to know what the market will be--what types of homes and development will be desired?
12. More communication/feedback loop needed. For example, quantify costs of requirements and understand the correlation between requirements, costs, and the benefit. In general, want more feedback between staff and the development community. Make sure staff understands codes and restrictions and how they relate to what developers produce.
13. Some requirements drive costs up. Examples: sidewalks, open spaces, and landscaping.

14. Density reduces costs of requirements.
15. Stream setbacks and corridors can be viewed more as an amenity, rather than just a requirement. Make them make more of an amenity rather than a negative (a requirement).
16. City needs more innovation and ideas to address issues. City and development/housing community need to work together.
 - Example for Public Works: narrower streets and no gutters would enable more affordable development.
 - Example: there is a disconnect between Planning and Public works, such as regarding infrastructure. See above example.
17. Address issues, education, and understanding from staff and elected officials. Are they educated and up to date about trends (both staff and elected officials)?
Example: Affordable housing is a need, but is it cost effective for developers?
18. Feedback loop needed.(communication between customers, staff, City Council)
19. Disconnect between departments/staff/elected officials.

Suggestions

20. Creating jobs is important. The presentation from the Chamber was helpful. Allow development in that creates jobs.
21. Affordable housing – been “talking about it” for 10 plus years.
22. Folks in these new jobs (workforce) are unable to afford to live here. They commute here.
23. Housing choices needed. Olathe is bringing in jobs, but let’s create housing where people can afford to live and stay here. Also, need housing through the different cycles of people’s lives—young people, middle-aged, senior housing, etc.
24. Staff, city, elected officials—all need to work together.

Table E (facilitator: Thomas Morefield)

1. Housing for people with disabilities
 - Olathe’s disabled population: 15,000 by 2010
 - Olathe’s Senior Population: 40,000 by 2010
2. Housing should be accessible for seniors. Example: ranch style housing
3. Housing Task Force looked at housing issues recently
 - Results online
 - Up to individual cities to implement
4. Affordable housing includes housing for police officers, firefighters and teachers
5. What should the price be for these people? \$150,000 – 200,000 range
6. Appreciation affects affordability. Houses that begin as affordable move out of range
7. Developers would like to do affordable housing in Olathe, but regulations make it difficult. Regulations prevent affordable housing.
8. Olathe regulation changes of 3-5 years ago allow fewer building material options (for exteriors of buildings)
9. Trends: 60% of households are non-traditional families; 90% of houses built are for traditional families
10. People want more basic homes – such as smaller, simpler houses, with 1 car garage
11. Utilize principles of “Universal Design” – design that makes houses accessible and usable to the greatest extent possible by people of all ages, sizes, and abilities. Such houses can last a person’s lifetime.
12. Maintenance free housing options (when maintenance is provided by homeowners association) should be pursued

13. Quality, durable siding should be an option for homebuilders
14. Olathe is losing residents and revenue to Wyandotte County, where housing is more affordable
15. Many people who work in Olathe can't afford to live in Olathe
16. Encourage density:
 - Smaller lots
 - Deeper lots
 - Alleys are too expensive, so push porches up on the lot and setback the garage
17. Street widths, density, and setbacks are areas where code changes can make housing more affordable
18. Manufactured housing can be done well
19. Stepping stone homes – different types of housing should be available for different life stages
20. The City can have some requirements to keep housing nice while remaining affordable
21. Affordable 1 car garage homes are selling
22. Ways to improve the quality of housing include educating citizens about code enforcement (such as the City's maintenance requirements and different programs) and addressing neighborhood concerns
23. Home owner education and required homeowner maintenance can promote quality of life
24. Demographic trends:
 - Olathe continues to grow
 - Olathe is a young community with young families
 - Olathe continues become increasingly diverse
 - Olathe is seeing larger numbers of lower income families
25. Olathe can capture the market for people “moving up” (seeking higher quality and/or bigger and more expensive housing); maybe Olathe does not currently do so
26. The City should look at partnering with banks to work with the community and the people in it

Table F (facilitator: Jana Hartnett)

Question 1 re: regional or local trends:

1. One suggested strategy to get unsold lots sold: City provide tax abatements for new construction on unsold lots.
2. Florida put a moratorium on impact fees.
3. California cut fees by 50%
4. Instead of paying fees at time of platting, have fees paid when lot is sold (collect fees per lot, not per plat)
5. Tax abatement on new houses: Pay 10% of total tax the first year, 20% the second year, 40% the third year, 60% the fourth year, 80% the fifth year, then 100% the 6th year.
6. Give incentives, such as tax abatement, in subdivisions where roads and utilities are in but the subdivision is otherwise undeveloped—where there are unsold lots.

Question 2 re: housing issues or concerns

7. Takes too long to get a permit – single family (RP-1).
8. All permitting needs to be streamlined.
9. Issue single-family permits over the counter.
10. Where do you build smaller more affordable houses?

11. The cost for a single family permit is \$13,000.00.
12. New homes are being turned into rental properties, since they are not being sold.
13. Real estate no longer has an appraised value, due to uncertainty that exists. Buyers are bidding low and tax appraisers are appraising homes more than they are selling for, so banks are reluctant to give loans.
14. Bonds for recreational amenities – if the Developer goes bankrupt, homeowners will want the City to provide the amenity & the number of homes may not support the amenity.
15. Benefit districts – we should question the consequence if the developer goes bankrupt.

Q.3 Suggestions to address the issues

16. Suspend, reduce or prorate fees; i.e. developer fees/building fees.
17. City & Chamber of Commerce should be promoting the city to companies moving into the area. What are the City and Chamber of Commerce doing to promote Olathe?

Q. 4 Other suggestions for improving the housing situation

18. We need mixed use developments.
19. We need walkable neighborhoods.
20. More permit information on-line would be helpful—would make it easier for businesses such as service industries to contact permit holder and do business with them. Would need to show relevant information such as remodel, new construction, square footage, etc.

Table G (facilitator: Linda Lane)

Foreclosure

1. Asset management—would be helpful to have a good inventory of what exists relating to foreclosures; an ability to know what is out there
2. Turn the foreclosures as quickly as possible; City and private sector should work together and network to turn foreclosures
3. Contact point – the City’s Housing Services Division could be the contact point to network in an effort to get property sold ASAP

Standards for affordable housing

4. Over the last five years planning requirements have caused housing prices to increase
5. Open space requirements adds cost to each home
6. Up front costs increase the price of the homes
7. Olathe has higher level of standards than some other areas

Development costs increase

8. Middle market difficult to address because of planning requirements
9. City construction/development standards increase costs. Examples are: side entry garage and landscape requirements
10. Pinwheel design is less expensive to build but planning prohibits [“pinwheel design” is usually a 4-unit, one story building with a parking courtyard to the garages]
11. Codes requirements conflict with market conditions; relax requirements – should be market driven

12. Contractors meet with Planning staff & Council members. It is one thing for the private sector to work with staff, but the City Council needs to be part of the discussion, and agree with final outcome for there to be results
13. Why are City requirements making houses more expensive?
14. Meet with staff on Comprehensive Plan requirements

Open Communication

15. Increase communication between builders, realtors, lenders, especially during these troubled times
16. Format of Summit—have large group open questions and answer session so all can address
17. Planning staff meet with contractors, but Council members need to be present to ensure agreement on requirements/options. Planning Commission also needs to be part of the discussion.
18. Lenders need knowledge of housing programs available, such as for down payment assistance.

Department website

19. Link department website to developers' websites of different subdivisions, so people can know what houses and lots are available
20. Link department website to the KC Regional Association of Realtors
21. IDX fee
22. Foreclosed homes – have a master list of foreclosed homes so that everyone knows what is available

II. OTHER COMMENTS RECEIVED

A. Comments from the Suggestion Box

From cards submitted

1. For the next “development forum.” let’s hear what action or changes have come from our input.
2. Credit Issues
3. Owning home earned privilege
4. Real estate agents have had to change
5. No more PPP
6. Have a follow-up meeting and have business leaders, i.e., developers, some one from State Farm, come talk about City Olathe

Comments from a printed email message submitted in the suggestion box at the Summit

Things are tough out there ... the empty subdivisions are a black eye on Olathe. As you know, it took so many years to get our subdivision approved ... we were in the midst of the downtown. It has been a nightmare. Something has to be done or your housing business won’t recover for years.

If the City is serious about solving their housing crisis ... it will necessitate some drastic action. Here are just a couple of pieces that could be cornerstones of a serious attempt at recovery.

1. The City should seriously consider tax abatement on developed, but unsold lots. This is a terrible issue and is killing everybody. There are little costs involved with services when there are no houses being built. It is likely that many of the subdivisions that have no action will end up being the banks ... just because of real estate taxes. This will destroy the recovery ... something needs to be done so that the tax bills on these lots don’t create a situation where the values continue to deteriorate.
2. Impact Fees:
 - In Florida, many communities have put a moratorium on all impact fees in an effort to spur development. (no fees for those that dare to go ahead)
 - California has moved to cut fees by 50% and instead of paying at time of platting, they allow a pro-rata share to be levied against the lot ...when the lot sells, they get the fee with no accrual of interest.
 - Consider a tax abatement of some sort on new houses ...some are saying 5 year full on new construction, or at least a declining percentage over 5 years ...with taxes at 0% first year, 20% second, 40% third, 60% fourth, 80%fifth...and 100% in the sixth year.

Not what anyone wants to hear ...but anything less than drastic action is just an action at fooling ourselves (“Lipstick on a pig?”). This is not going to recover quickly and most of the builders/developers will not survive. Does Olathe want to be pro-active and a leader in recovery, or do they just want to limp along like the other municipalities that are sitting with an over abundance of developed lots and standing inventory?

B. Comment from an Email Received After the Summit from an Attendee

I wanted to take this opportunity to thank you all for the Housing summit meeting this morning.

I understand first hand how bad the market is right now, and appreciate the city listening and attempting to be pro-active towards the development community.

The most important/significant thing that I heard this morning came from Mark Coyne. The idea of 'suspending' or modifying certain building/development codes will allow new types of 'affordable' developments to occur within the City of Olathe, that are not currently allowed. We all understand that this current market will require more affordable housing. Olathe has the opportunity to be a leader in the local housing market by promoting this to happen.

The following are examples that would help out the building/development community to keep doing business in this recession.

Smaller setbacks – front yards in traditional neighborhoods still look great, although they are smaller. This allows for smaller lots = higher density = less development costs per lot.

Narrower streets – more environmentally sensitive (less pervious pavement), pedestrian friendly and safer because of slower speeds, cost less to build = less development costs per lot.

Narrower lots – 50' is currently the min. Allowing new product types to come to our marketplace. This allows for smaller lots = higher density = less development costs per lot.

Allow 'new' materials for houses/multi-family – 4 sided architecture can still be achieved through less expensive 'no maintenance' siding. These products are widely accepted in other markets, and they cost less – but still look good and will look good for a long time. Masonry is not necessary to achieve a high level of quality/design.

These are just a few things I think would be very important for the City of Olathe to consider. I am sure there are many more that I haven't thought of yet. Perhaps a 'test' project could show how these principles could meet the goals of the city and developer/builders.

Land costs haven't changed. Development costs have gone up (excise taxes, BMP requirements, infrastructure cost increases etc). Building costs have gone up (Permits/fees, lumber etc.). These are the reasons 'affordable' housing can not be achieved as we currently know it in Olathe.

We are at a crossroad, and allowing some form of 'suspension' will be a giant step in the right direction to keep development/building happening in Olathe.

III. NEXT STEPS—FOLLOW-UP TO THE SUMMIT

A. Housing Summit Purpose

The purpose of Olathe's Housing Summit was stated as follows:

Purpose: *To discuss current housing trends and housing development issues in Olathe. Specifically:*

- A. Listen to our customers about current housing trends, development issues in Olathe: What are they experiencing now?*
- B. Identify housing issues the City should be aware of and ideas and suggestions for what the City might be able to do to address the issues.*
- C. Share some housing-related information with attendees.*

Note: The summit will not be about solving issues at the summit. We want to create an environment at the summit where the City can learn more about the status of housing development today in Olathe and build a foundation for being able to do what we can.

Given the purpose of the Housing Summit, it was a success—staff listened to the City's customers who work in housing-related fields, attendees identified issues for the City to be aware of and suggestions for what the City might be able to do, and staff and others shared information.

B. Moving Forward—Staff's Goal and a Reminder About the Content

As staff proceeds forward, our goal will be to respond to the results of the Housing Summit and honor the time and remarks of those who attended and gave input. Staff and others will need to remember, however, that the comments are those of individuals, and that consensus was not an aim of the Summit. In fact, some comments contradict other comments. In addition, the audience for the Summit was targeted to those working in housing-related fields—such as contractors, developers, Realtors, and financial institutions—and not the entire Olathe community.

With these caveats, some themes emerge from the comments, and the range of comments reflects the range of opinions that exist among those working in housing-related fields in Olathe.

C. Next Steps—Partial List

The following is a list of "next steps" as known today (November 18). Other strategies for follow-up will be identified and implemented as staff absorbs and considers the comment from the Housing Summit.

1. This written summary will be shared with the City Council and the following City boards: Planning Commission, Board of Code Review, and Board of Housing Commissioners.
2. Planning Services staff will discuss the results of the Housing Summit with the Planning Commission at the Commission's December 8 meeting and seek suggestions from the Commission on next steps/follow-up. Two Planning Commission members attended the Summit.
3. This written summary will be shared with the outside agencies that participated in the Housing Summit: Olathe Chamber of Commerce, Home Builders of Greater Kansas City, KC Regional Association of Realtors, and Olathe School District.

4. Planning Services staff will share this written summary with the Comprehensive Plan Advisory Committee and City staff leading the process to update the City's Comprehensive Plan. This will be relevant for those themes that arose during the Summit that are "big picture," long-term issues for Olathe.
5. Development Services staff will review the comments received and evaluate them for potential action. Options include:
 - For some issues or suggestions, the City may already be doing something that is relevant and the City needs to do a better job communicating what it is doing. Or, the City may need to adjust slightly what it is doing.
 - For some issues or suggestions, the department may be able to implement a strategy fairly readily, especially where a strategy would be consistent with existing City policy and would not require Council action, and where the City's existing staff resources are sufficient for implementation.
 - Other issues or suggestions will require more study and/or deliberation, and potentially direction from the City Council.
6. As suggested by at least one attendee, the results of the Housing Summit and a report on City follow-up will be placed on the next agenda of the Developers Forum, to be held on Wednesday, January 21, 8:30—10:00 a.m., City Council Chambers, Olathe City Hall.

Please contact Steve Franks, Development Services Director, with your thoughts about the results of the Housing Summit and suggestions for follow-up. Steve can be reached at: (913) 971-8503; sfranks@olatheks.org.

APPENDIX A: HOUSING SUMMIT AGENDA
City of Olathe Housing Summit
Wednesday, November 12, 2008
8:30—10:00 a.m., City Council Chambers, Olathe City Hall

AGENDA

- I. INTRODUCTION (8:30-8:35 a.m.)**
Welcome, review Summit purpose, agenda, format
Steve Franks, Development Services Director
- II. INTRODUCE “THE PLAYERS”--WHO DOES WHAT (8:35-8:40 a.m.)**
Who does what, who to go to for more information or with suggestions and issues.
- III. OVERVIEW: THE HOUSING PICTURE TODAY IN OLATHE (8:40—9:05 a.m.)**
- A. City of Olathe:
 - * Building permit activity *Herb Warren, Chief Building Official.* 3 minutes.
 - * Housing needs. 3 minutes. *Linda Lane, Housing Program Coordinator.* 3 minutes.
 - B. Home Builders Association of Greater Kansas City. Their perspective. *Mike Brown, BrownMidwest Co., and Immediate Past President of the HBA.* 5 minutes.
 - C. KC Regional Association of Realtors. Their perspective. *Ken Rosberg, President/Managing Broker, Cedar Creek Realty, LLC.* 5 minutes.
 - D. Olathe Chamber of Commerce. Economic overview and outlook in Olathe. *Tim McKee, Olathe Chamber of Commerce.* 10 minutes.
- IV. BRIEF OVERVIEW OF SOME CITY PROGRAMS (9:05-9:25 a.m.)**
- A. City housing-related incentives.
 - * Neighborhood Revitalization Act (NRA). *Emily Kukal, Senior Planner, Neighborhood Planning.* 3 minutes.
 - * Other City incentives. *Ron Shaver, Assistant City Attorney.* 3 minutes.
 - B. Process to update City codes. *Mark Coyne, Assistant City Planner.* 3 minutes.
 - C. Process to update the City’s Comprehensive Plan. *Thomas Morefield, Senior Planner.* 3 minutes.
 - D. City sign ordinances related to housing. *Tanner Fortney, Planner II.* 3 minutes.
 - E. Information available on website: *Matt Steging, Systems Analyst.* 3 minutes.
- V. DISCUSSION AND DIALOG (9:25-9:55 a.m.)**
- A. Concerns and issues about today’s housing situation. *Everyone.*
 - B. Ideas and suggestions for addressing issues & improving the housing situation. *Everyone.*
- VI. WRAP-UP (9:55-10:00 a.m.)**
- A. Summary of key points raised, what we learned.
 - B. Next steps?

10:00 a.m. : Stay if you can to talk with participants & other City staff, keep the dialog going

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APPENDIX B:
GRAPHIC SHOWING FREQUENCY OF WORDS
AS THEY APPEAR IN THE COMMENTS FROM SMALL GROUP DISCUSSION
(the 50 most frequently occurring words)

address affordable building
city code communication construction costs council
design development different elected example
expensive families fees floor garage green homes
housing incentives issues jobs local lots maintenance
market needs options people permit planning
prices promote regional relate requirements selling
smaller sold staff subdivision support sustainable table tax trends work