



CITY OF TOPEKA

DEPARTMENT OF NEIGHBORHOOD RELATIONS
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MEMORANDUM

Date: December 21, 2017
To: Brent Trout, City Manager
From: Sasha Haehn, Director of Neighborhood Relations
Subject: Van Buren School project & disposal of real property

BACKGROUND:

In August 2016 Neighborhood Relations acquired the Van Buren School property located at 1601 SW Van Buren by donation of the owner. The Department intended to demolish the structure based on the deteriorated condition. As staff worked toward the demolition of the project, a structural analysis of the building was obtained from Treanor HL. Discussions had begun with Pioneer Group in late 2016 regarding the potential for them to rehabilitate the school into affordable housing.

In 2016 Mayor Wolgast also formed the Affordable Housing Task Force to work on the issues surrounding affordable housing in Topeka. Pioneer Group was invited to join the Task Force as a representative affordable housing development, as was the Topeka Housing Authority. Both groups develop affordable housing in Topeka and are considered valuable partners to the City's Neighborhood Relations Department.

In the summer of 2017 Pioneer, THA and Neighborhood Relations began discussions regarding the potential for a scattered site affordable housing project and the possibility of a public/private partnership to facilitate the development of the project. Pioneer Group, operating as Pioneer Midtown Homes LLC, will serve as the developer, Topeka Housing Authority will serve as the property manager once the project is complete and the City will facilitate the development with the contribution of real estate.

The proposed public/private partnership will result in approximately 81 new affordable housing units in the community and a project/improvement estimated at around \$10 million dollars. The project will include the Van Buren area properties listed below and potentially another location in Central Topeka that the developer is working to acquire as we prepare for this project. I am hopeful that they will be able to share that location at the Council meeting.

The Van Buren School property located at 1601 SW Van Buren, the residential lot at 1606 SW Van Buren St., 1601 S. Kansas Ave. (SW corner of 16th & Kansas Ave.) and the North West corner of 16th St. and Kansas Ave. is being proposed to be sold to the developer for \$1 and other valuable consideration. The County's appraised valuation of these properties is approximately \$63,700. Included in the Council packet is an aerial map of the properties proposed to be contributed to this project, as well as a real estate report and real estate purchase agreement.

The project is located in the Monroe NIA. Staff has been in steady contact with the Monroe NIA President Todd Huston, beginning in late October regarding the potential for a project in the neighborhood. Although I was not at liberty to disclose the details of the project at the request of the developer and related to their efforts to acquire surrounding properties for the project, I did share that there was a potential affordable housing project being worked on between Neighborhood Relations and two of our local development partners. Staff, Pioneer representatives and THA representatives had tentatively planned to attend the November and December NIA meetings to hopefully share project details. Unfortunately, the project was not yet at a stage to disclose details in time for either meeting. I spoke to Mr. Huston 12/21/17 and was able to share the identity of our partners and more specific details on the project. We discussed my attendance at their NIA meeting that evening, but Mr. Huston requested that we plan to attend their January meeting to share project details so that he could have time to notify neighbors and alert residents that may be interested to attend the January meeting to learn about the project.

FINANCIAL CONSIDERATIONS:

There is no direct financial cost to the city at this time. The contribution of real estate is valued at approximately \$63,700. The City's liability related to the Van Buren school building, if we were to demolish it, is estimated between \$250,000-\$400,000 based on the environmental reviews we have done and the level of asbestos contamination in the building.

LEGAL CONSIDERATIONS:

The City Attorney's office created the Real Estate Purchase agreement and has approved it as to form.

RECOMMENDATION/ACTION:

Approve the Real Estate Purchase Agreement authorizing the disposal of the real estate listed above to Pioneer Midtown Homes LLC.

SUPPORTING DOCUMENTS:

Real Estate Report
Aerial map of properties being considered
Real Estate Purchase Agreement & Exhibit A