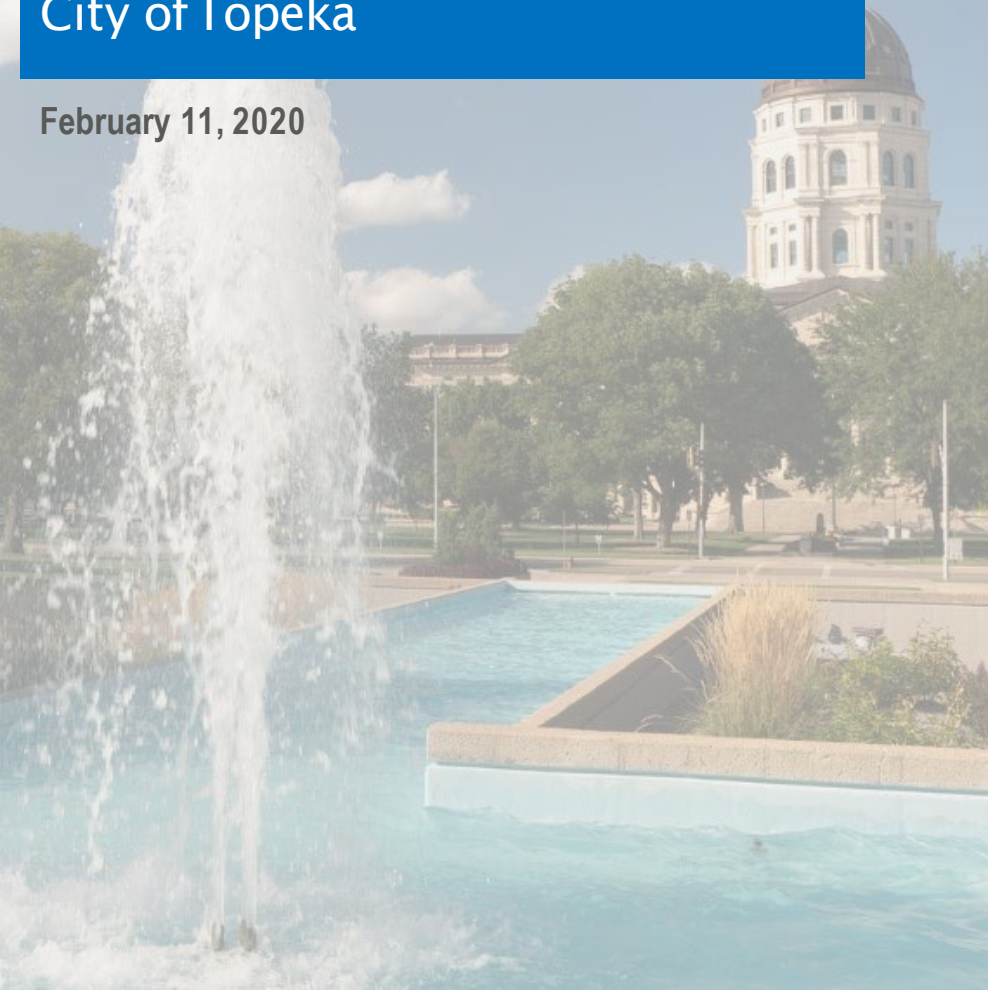


# CITYWIDE HOUSING MARKET STUDY AND STRATEGY

PREPARED FOR  
City of Topeka

February 11, 2020



**DEVELOPMENT STRATEGIES**

# PROCESS & SCHEDULE



Kickoff



Understand



Analyze



Strategize



Finalize



Final Report

GETTING  
STARTED

CONTEXT  
AND  
COMMUNITY  
ANALYSIS

HOUSING  
MARKET  
ANALYSIS  
  
ORGANIZATION  
ASSESSMENT

HOUSING NEEDS  
IDENTIFICATION  
  
POLICIES AND  
STRATEGIES

PRIORITIES  
IMPLEMENT  
REFINE  
PRESENT

DOCUMENT

DEVELOPMENTSTRATEGIES®

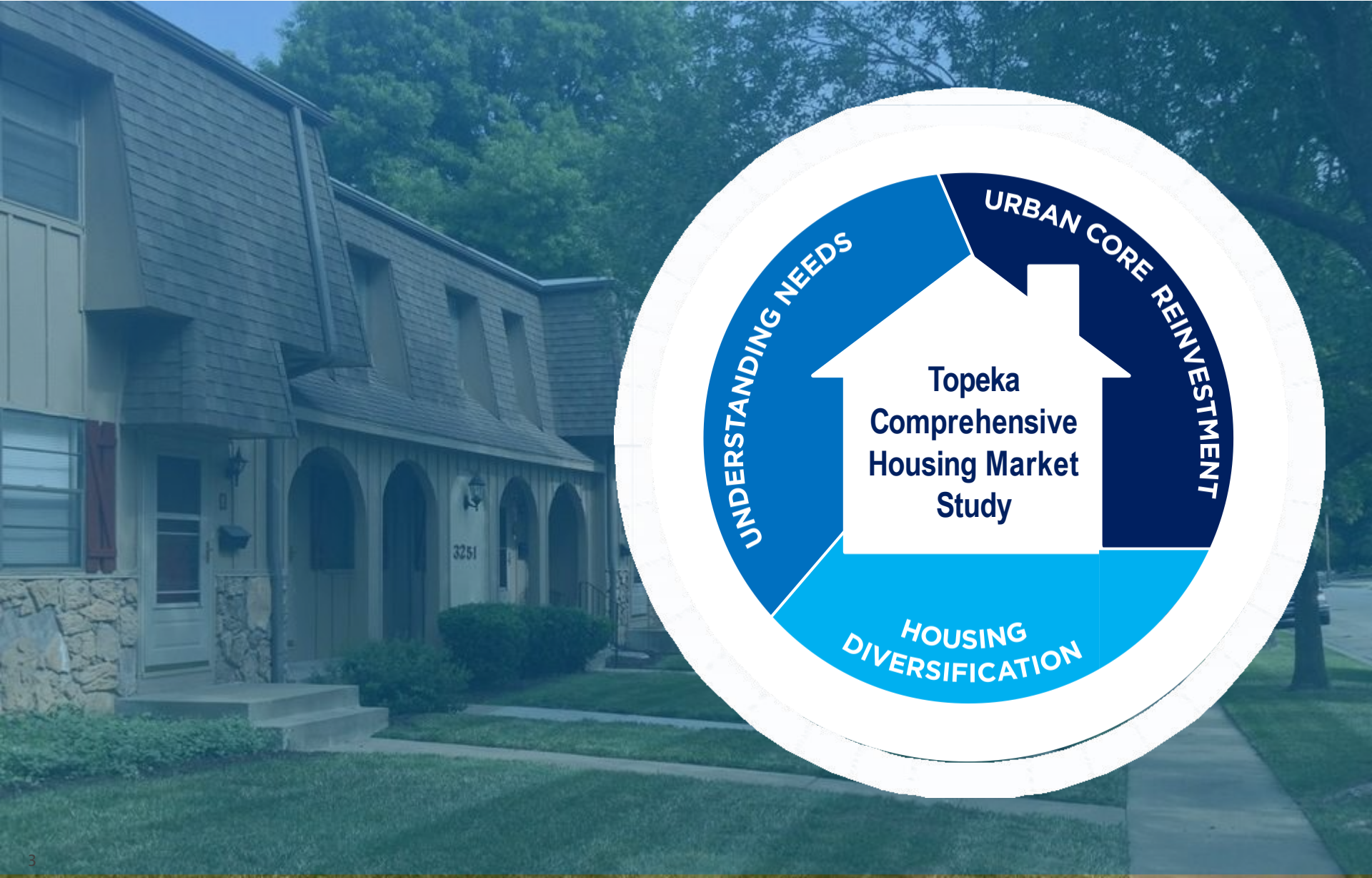
1 month  
~~SEPTEMBER~~

5 months  
~~OCTOBER~~ – February

2 months  
~~MARCH~~ – APRIL

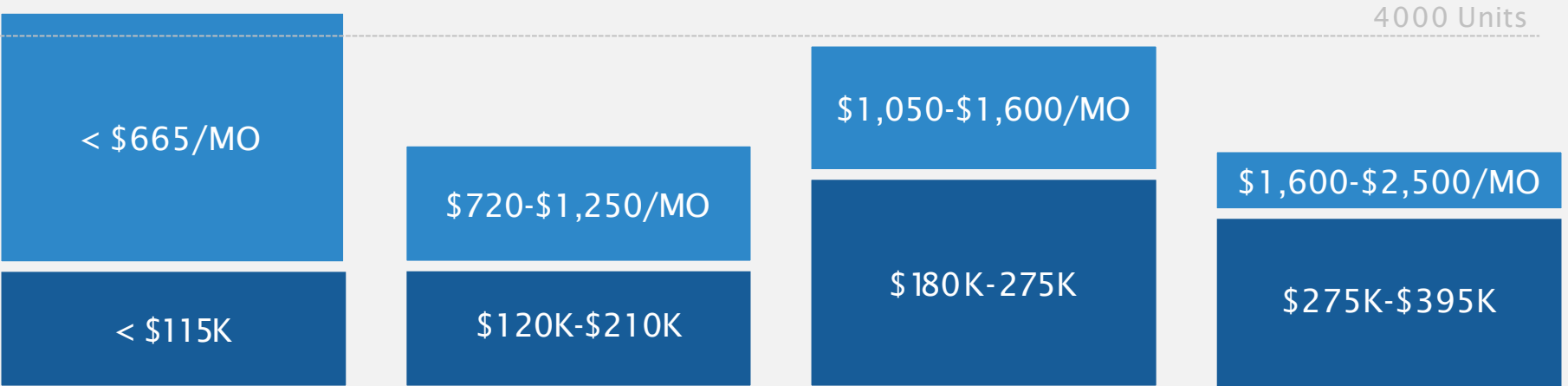


HOUSING STUDY  
UNDERSTANDING



# DEMAND SUMMARY

AFFORDABLE	WORKFORCE	MODERATE	UPSCALE
< 60% AMI	60 – 120% AMI	120 – 150% AMI	150 – 200% AMI
< \$33K/YR	\$33K - \$66K/YR	\$66K - \$83K/YR	\$83K - \$110K/YR



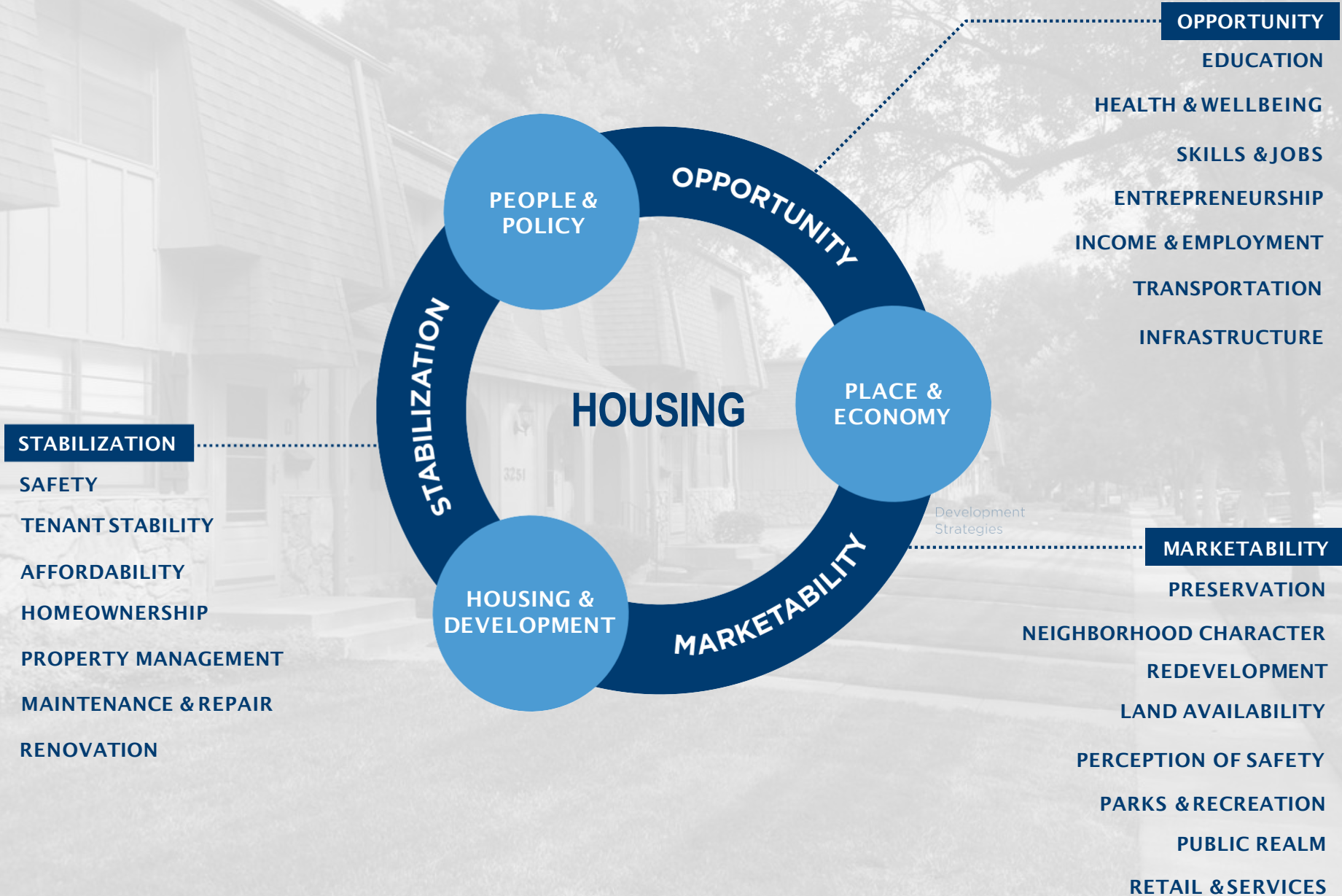
- Rental units
- For-sale units



# Strategy

What is strategy and why is it important?





# STRATEGIES

## WHERE DO THEY FIT?

**Tools,  
Incentives,  
& Programs**

Existing & new  
Filling gaps

**Housing  
Strategy**

Development  
Stabilization  
People

**Neighborhood  
Revitalization**

**Economic  
Development**

**Equity**

**Infrastructure  
Planning**

## Development

### Role

Address feasibility issues to meet market demand with quality housing products

### Examples

Neighborhood Revitalization Program; tax credits; tax increment financing

## Stabilization

### Role

Stabilize and strengthen neighborhood conditions to promote quality reinvestment

### Examples

Weatherization & repair programs; code enforcement; landlord licensing

## People

### Role

Prepare Topekans to be stables tenants or homeowners



### Examples

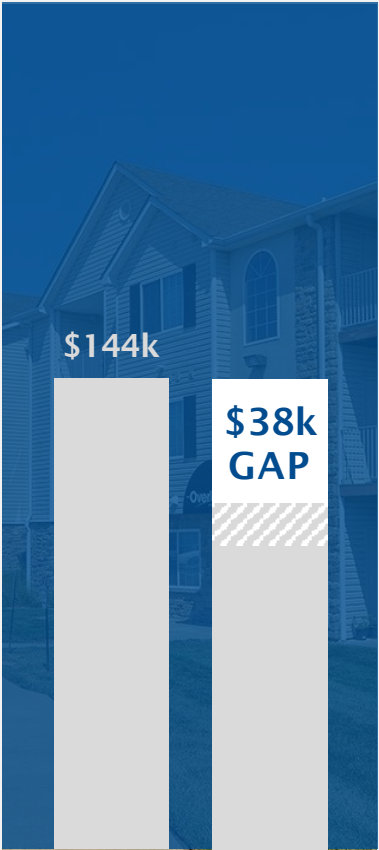
Tenant protections; homeownership support; rental assistance



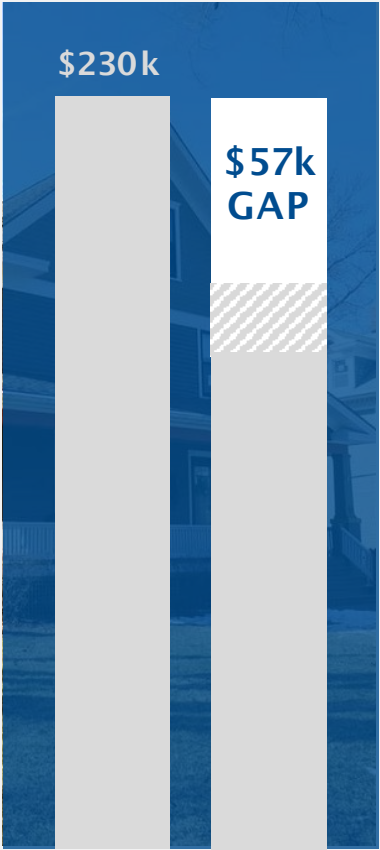
# FEASIBILITY GAP PER-UNIT SUMMARY

COST AND  
VALUE

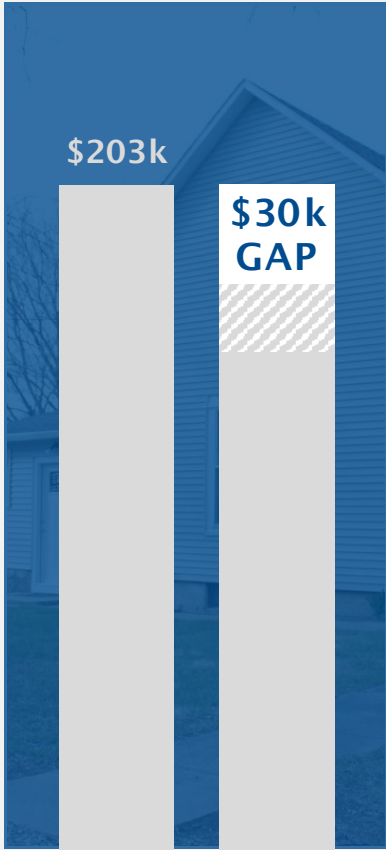
Cost to produce   
Value of tax abatement 



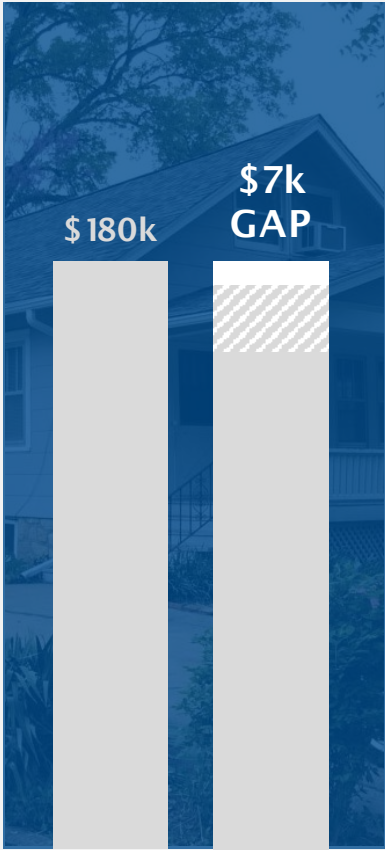
MULTIFAMILY  
NEW



SINGLE FAMILY  
NEW



SINGLE FAMILY  
GUT REHAB



SINGLE FAMILY  
RENOVATION

MARKET IMPLICATIONS: 10-15 YEARS

SEGMENTS OF THE MARKET



PRICE/ RENT	<\$400-550/mo	\$160 – 200k	\$120 – 160k	\$100-120k
DEMAND POOL	4,300 HHs	1,500 HHs	200 HHs	750 HHs
GAP	\$100k/unit	\$65k	\$25k	<\$5k
IMPLIED SUBSIDY 100% OF POOL	\$430m	\$98m	\$5m	\$4m

\$540 million

# Strategy

What are we trying to achieve?

How do we get there?





# KICK-OFF CONVERSATIONS

## WHAT WE HEARD

### QUALITY

We need to improve the **quality** of the **housing stock** we already have, and reposition it to **meet market demand**.

### REINVEST

We need a strategy that **focuses housing reinvestment** in our **core neighborhoods**.

### RESOURCES

This study can help **align resources** and **services** to better serve our **vulnerable populations**.

### OPPORTUNITY

Housing access and stability are foundational to **child and family wellbeing**, including school performance.

### ACCESS

There is a shortage of quality **affordable and workforce housing** with **convenient access** to major employers.

### OPTIONS

We need a diversity of housing **price points** and **housing types**.

# HOUSING GOALS

## WHAT WE HEARD

**A** Leverage housing (re)-investment to **stabilize Topeka's core neighborhoods.**

**E** Improve housing stability for Topeka's vulnerable residents — **housing as opportunity.**

**BI** Support **new housing development**, particularly **affordable** and **moderate-income** options.

**⊕** Address **problem landlords, absentee owners, and vacant properties.**

**5** Expand the **housing ecosystem** by building new partnerships to fund the Affordable Housing Trust Fund and create a CDC network.



# HOUSING STRATEGIES TO ADVANCE THE GOALS

## SIX STRATEGIES



Improve the quality of the **existing housing stock**



Address **abandoned & vacant properties**



Expand resources to encourage **housing stability and support homeownership**



Support development of a **diverse mix of housing types**



Expand production of **affordable housing** to enhance economic mobility



Expand **financial and organizational capacity**



# Improve the quality of the **existing housing stock** to provide non-subsidized affordable housing and stabilize neighborhoods

strategy

1

Expand **weatherization programs** to help lower utility costs for low-income homeowners

Expand financial and technical assistance for **home repair**

Consider a **landlord licensing** program to address landlords with persistent code violations and excessive evictions (*would require change in state law to allow for interior inspections and maximize effectiveness*)

Leverage **historic districts** and **community anchors** to identify targeted investment areas

Fund adequate staff to support **consistent code enforcement**

# STRATEGY 1

## STRATEGY DETAIL

Expand **weatherization programs** to help lower utility costs for low-income homeowners

- Explore creating a permanent funding source **for home weatherization programs**
- Consider **expanding weatherization program** to rental properties owned by responsible landlords providing non-subsidized affordable units



# STRATEGY 1

## STRATEGY DETAIL

Expand **weatherization programs** to help lower utility costs for low-income homeowners

Expand financial and technical assistance for **home repair**.

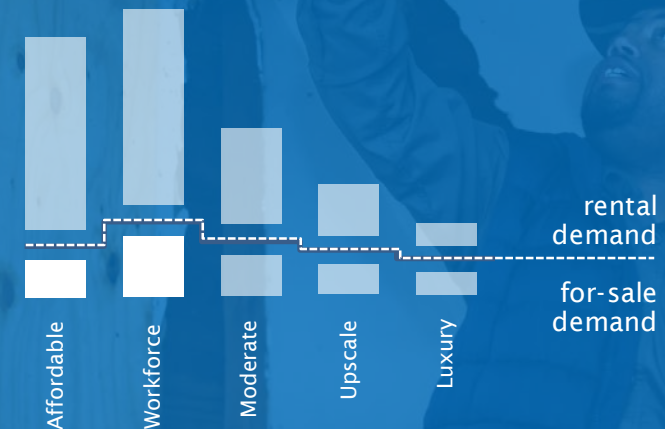
- Explore **waiving permitting fees** for low- and moderate-income homeowners to invest in their homes
- Explore expansion of Habitat for Humanity's tool / equipment sharing program
- Expand **renovation and repair resources** for neighborhoods with housing condition challenges
- Create list of **qualified contractors**; provide assistance for homeowners and homebuyers entering renovation process
- Partner with home supply stores, local contractors, and other organizations to expand regular **repair training classes**
- Assistance could be structured as grant, or forgivable loan, for income-qualifying homeowners

## HOME REPAIR PROGRAM

**FORGIVABLE LOAN  
PER UNIT**

**\$20k**

**250 homes  
repaired**  
through \$5m fund





## Address abandoned and vacant properties

strategy **2**

Create a **land bank** to return vacant properties to productive use

Continue consistent **code enforcement** efforts

Expand the **foreclosure and vacant property registry** to support other initiatives

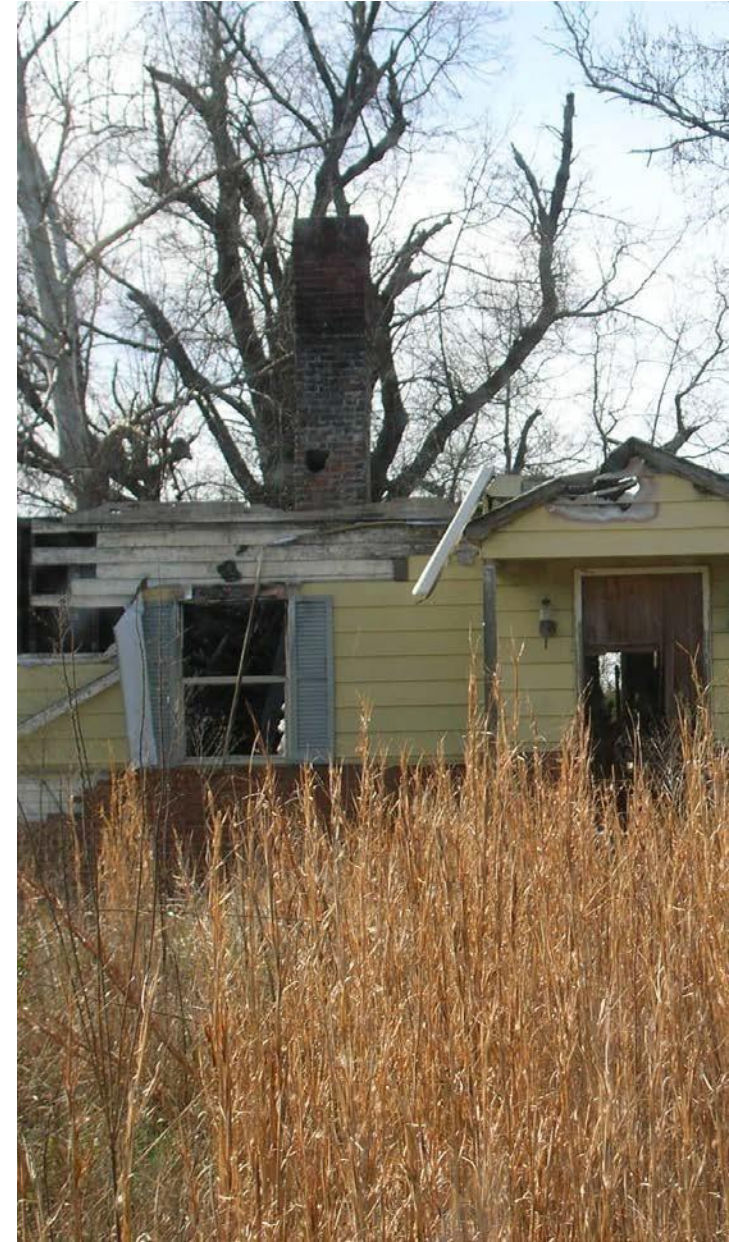
Adopt a **“demolition as a last resort”** policy to promote renovation and preservation

# STRATEGY 2

## STRATEGY DETAIL

Create a **land bank** to return vacant properties to productive use

- Create or identify public or nonprofit entities to **strategically acquire vacant / problem properties and convert them to productive use**
- Land banks have the authority to **acquire and clean title, and transfer properties to new owners** in a strategic manner that advances community priorities, including the creation and preservation of quality affordable housing
- Work with Shawnee County to establish **ability to view, strategically purchase available vacant properties** prior to their sale at the Judicial Tax Foreclosure Sale
- Align with active and future **SORT projects** to maximize the potential impacts
- Partner with **quality developers and contractors**
- Land banks are most successful when:
  - They work closely with **community and economic development organizations** and plans as part of an implementation team
  - **paired with resources to stabilize and rehabilitate properties** to return them to productive use
- **Precedents:**
  - Land Bank Rehab Program (Kansas City, Kansas)
  - Proposition Neighborhood Stabilization (St. Louis)
  - Rehabbed & Ready (Detroit)



## STRATEGY 2

### STRATEGY DETAIL

Create a **land bank** to return vacant properties to productive use

Continue consistent **code enforcement** efforts

- Secure funding to add adequate staff continue for quick response and follow-up actions to code violations
- Continue working with **municipal court and judges** to promote follow-through on fines and corrective actions
- Coordinate periodic **community tours** with municipal judges who oversee code violation cases to highlight the condition of the properties and impacts on the community



# Expand resource to encourage housing **stability** and support **homeownership**

strategy **3**

Expand **financial assistance** for low- and moderate-income homebuyers and homeowners

Support residents working toward homeownership with **affordable rental opportunities**

Expand financial and technical **assistance for rehabilitation**

Provide housing options that support **aging in place**

Expand supports to **prevent and address eviction and homelessness**

# STRATEGY 3

## STRATEGY DETAIL

Expand **financial assistance** for low- and moderate-income homebuyers and homeowners

Support residents working toward homeownership with **affordable rental opportunities**

Expand financial and technical **assistance for rehabilitation**

Establish policies to **support aging in place**

Expand supports to **prevent and address eviction and homelessness**



# STRATEGY 3

## STRATEGY DETAIL

### Expand supports to **prevent and address eviction and homelessness**

- Explore establishing a **tenant right to counsel** in eviction cases
- Align resources to expand **emergency rental and utility assistance** to divert households from eviction
- Facilitate investment in **permanent supportive housing** and/or housing first by **assisting with acquisition and control of suitable buildings / sites** while development partnerships and funding sources are established
- Coordinate with utility providers to identify tenants with delinquent bills and partner with social service providers to create an **outreach system** to connect vulnerable tenants to assistance that can keep them housed
- Partner with existing providers to **expand tenant education** so that there are resources to help vulnerable renters learn to be stable tenants





# STRATEGY 3

## STRATEGY DETAIL

Establish a **tenant right to counsel** in eviction cases

- Create a **citywide policy that establishes a right to tenant counsel**, and partner with nonprofit organizations to fund and ensure the availability of legal counsel at the scale needed
- **Guaranteeing legal counsel for tenants** in eviction cases is shown to significantly reduce the number of cases that result in a warrant for eviction
- Preventing eviction will be critical to **neighborhood stabilization** efforts, and will **help renters stay in their homes** as their neighborhood experiences reinvestment
- In eviction cases nationwide, an estimated 90 percent of landlords have **legal representation**, compared to only 10 percent of tenants
- Preventing eviction can **avoid a cycle of housing insecurity and homelessness** for families, which makes it very difficult to access quality employment or succeed at school
- Tenant right to counsel laws are also shown to **be cost effective**, saving many times more than the costs of counsel in related spending on homelessness, education, and courts

Topeka had

**1,000 evictions**

in 2016, or about 83 evictions per month.

If the city achieved a 60% reduction (below what some research findings suggest is possible through a right to counsel law), there would be **600 fewer evictions.**

## Support development of a **diverse mix of housing types**

strategy

4

Support a diverse range of infill housing **typologies and price points**

Support **market-rate housing Downtown** to bolster economic development,

Leverage **ongoing or planned public investments**

# Expand production of affordable housing to enhance **economic mobility**

strategy **5**

Identify locations for affordable housing **with convenient access to employers and amenities**

Coordinate with employers to **provide alternative transportation options**

Coordinate with employers, institutions, and social service agencies to provide **support services**



## Expand financial and organizational capacity



Enhance the city's ability for **strategic land control** (not eminent domain)

**Target incentives** to support quality housing development

Leverage city resources to create a more robust **community development ecosystem**

# STRATEGY 6

## STRATEGY DETAIL

Enhance the city's ability to facilitate development through **strategic land control** (not eminent domain)

- Establish a **land bank** set up to expand the city's ability to strategically acquire and clean title of vacant properties so they can be returned to active use
- Support the development of a **CDC-based ecosystem** that will expand capacity to redevelop vacant and underutilized property in support of housing goals



## STRATEGY 6

### STRATEGY DETAIL

Enhance the city's ability to facilitate development through **strategic land control** (not eminent domain)

**Target incentives** to support quality housing development

- Continue to **leverage tax abatement (NRP)** to support quality affordable and mixed-income development, such as through infill.
- Fund the **Affordable Housing Trust Fund**, pooling philanthropic capital and a dedicated source of public revenue.
  - **Affordable Housing Trust Funds** are flexible sources of funding that leverage state and federal programs to further support the provision of quality housing for low- and very low-income housing
  - Focus **AHTF on stabilization**—owner and rental repair and modernization—to support affordable housing without subsidy
  - Consider **partnering with landlords** with a strong track record to preserve affordable housing through vacancy payments and similar tools.
  - As more funding is secured, leverage the AHTF to support 4% LIHTC projects.

## AFFORDABLE HOUSING TRUST FUND

### INVESTMENT PER UNIT

**\$150k**

estimated average cost of affordable housing new construction or preservation

### TRUST FUND CONTRIBUTION PER UNIT

**\$25K**

Assumes 1:6 leverage ratio

**80 units**

\$2 million fund





## STRATEGY 6

### STRATEGY DETAIL

Enhance the city's ability to facilitate development through **strategic land control** (not eminent domain)

**Target incentives** to support quality housing development

Leverage city resources to create a more robust **community development ecosystem**

- Adapt the Neighborhood Improvement Association (NIA) initiative to support the creation of **Community Development Corporations (CDCs)** in applicable neighborhoods.
- Utilize NIA and CDBG funds to conduct **capacity-building training**.
- Partner with **LISC or a similar national organization** to provide training and ongoing support for CDCs.
- Explore creation of a housing CDFI

