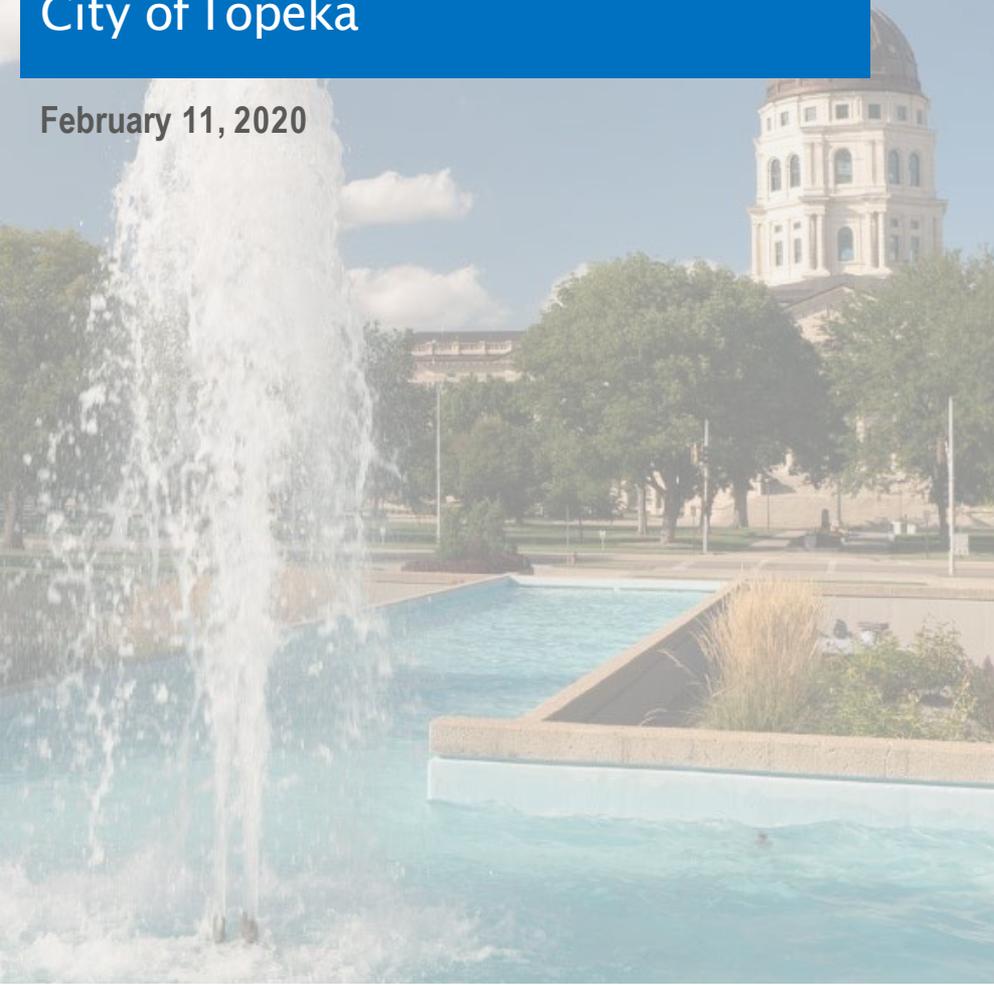


# CITYWIDE HOUSING MARKET STUDY AND STRATEGY

PREPARED FOR  
City of Topeka

February 11, 2020



# PROCESS & SCHEDULE



DEVELOPMENTSTRATEGIES®

1 month  
SEPTEMBER

5 months  
OCTOBER-February

2 months  
MARCH-APRIL

# HOUSING STUDY

## UNDERSTANDING



Topeka  
Comprehensive  
Housing Market  
Study

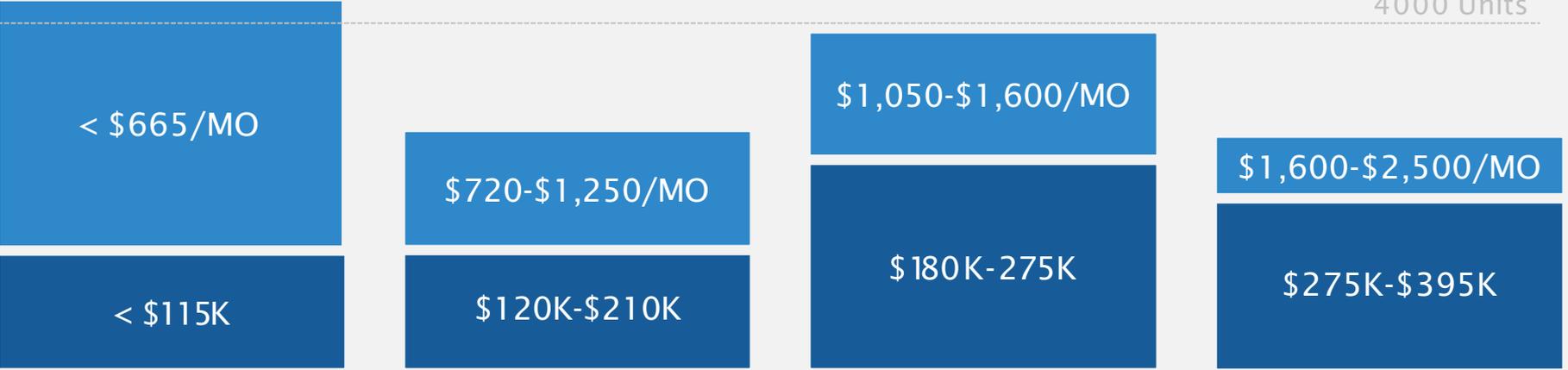
UNDERSTANDING NEEDS

URBAN CORE REINVESTMENT

HOUSING  
DIVERSIFICATION

# 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

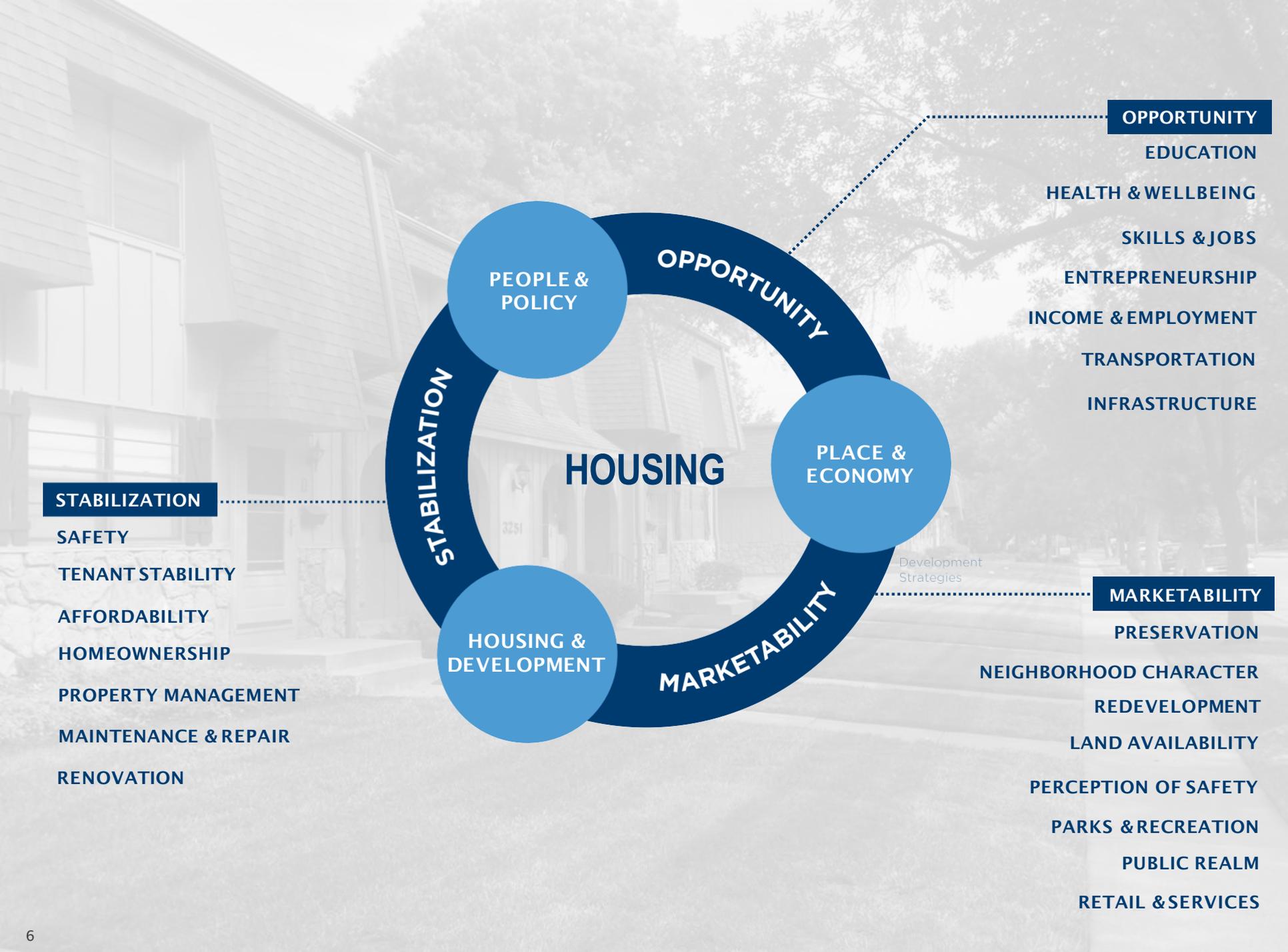


- Rental units
- For-sale units

# Strategy



What is strategy and why is it important?



**STABILIZATION**

- SAFETY
- TENANT STABILITY
- AFFORDABILITY
- HOMEOWNERSHIP
- PROPERTY MANAGEMENT
- MAINTENANCE & REPAIR
- RENOVATION

**OPPORTUNITY**

- EDUCATION
- HEALTH & WELLBEING
- SKILLS & JOBS
- ENTREPRENEURSHIP
- INCOME & EMPLOYMENT
- TRANSPORTATION
- INFRASTRUCTURE

**MARKETABILITY**

- PRESERVATION
- NEIGHBORHOOD CHARACTER
- REDEVELOPMENT
- LAND AVAILABILITY
- PERCEPTION OF SAFETY
- PARKS & RECREATION
- PUBLIC REALM
- RETAIL & SERVICES

Development Strategies

# STRATEGIES

WHERE DO THEY FIT?

**Tools,  
Incentives,  
& Programs**

**Housing  
Strategy**

Existing & new  
Filling gaps

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

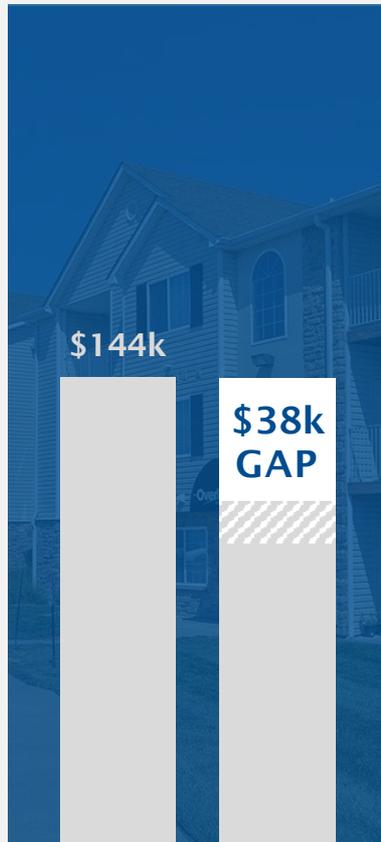
### Examples

Tenant protections; homeownership support; rental assistance

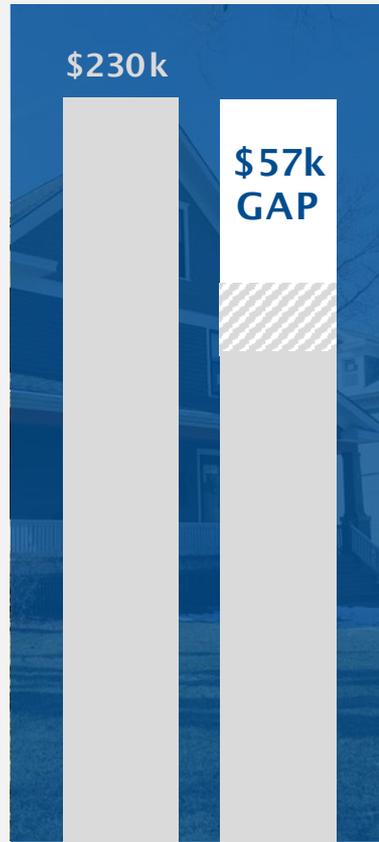
# FEASIBILITY GAP PER-UNIT SUMMARY

COST AND  
VALUE

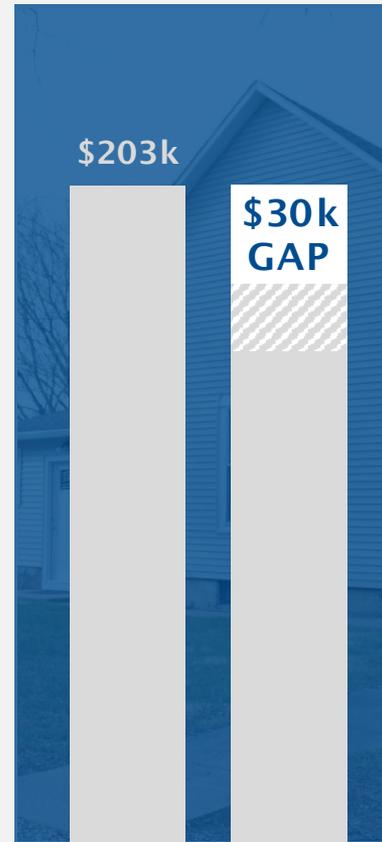
Cost to produce   
Value of tax abatement 



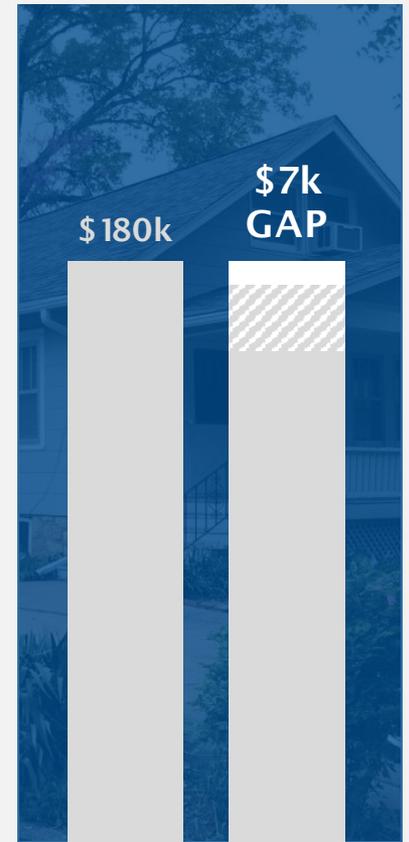
MULTIFAMILY  
NEW



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.**

**Z**

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**.

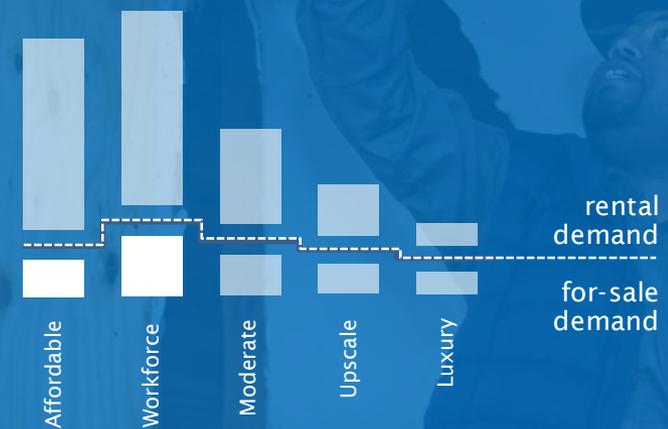
- Explore **waiving permitting fees** for low- and moderate-income homeowners to invest in their homes
- Explore expansion of Habitat for Humanity's tool / equipment sharing program
- Expand **renovation and repair resources** for neighborhoods with housing condition challenges
- Create list of **qualified 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



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



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



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

