



CITY OF TOPEKA

CITY COUNCIL COMMITTEE
MEETING MINUTES

POLICY AND FINANCE COMMITTEE

CITY COUNCIL
City Hall, 215 SE 7th Street, Suite 255
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Date: October 28, 2022

Time: 2:00pm

Location: 1st Floor Conference Rm; Cyrus K. Holliday Bldg 620 SE Madison (*virtual option also available*)

Committee members Present: Spencer Duncan (Chair), Christina Valdivia-Alcalá, Hannah Naeger

City Staff Present: City Manager Stephen Wade, Rachelle Mathews (Interim Finance Director), Kalea Pauole (Grants Manager), Heather Shurtliff (Finance), Kelly Trussell (City Prosecutor), Mary Feighny (Deputy City Attorney), Bill Fiander (Planning Director), Corrie Wright (Housing Services), Amanda Stanley (City Attorney)

1) Call to Order

Chairman Duncan called the meeting to order at 2:00pm. Committee members introduced themselves.

2) Approve Minutes from September 23, 2022 Meeting

Committee member Valdivia-Alcalá made a motion to approve the minutes. Committee member Naeger seconded. Minutes approved 3-0-0.

3) Third Round: ARPA Application Review

Chairman Duncan reviewed a few items before proceeding to the third round ARPA Application review process. In terms of timeline, he stated the goal of the Committee has remained to try to get a recommendation to the Governing Body for approval by the end of the year. This is to help organizations know, by the start of the new year, what they are or are not receiving. Chairman Duncan stated it is his expectation that the Committee will be able to set their final recommendations.

Chairman Duncan said there was a word-of-the-day, and that word was “perspective”. He asked participants to have perspective in mind while the Committee reviewed the final round of applications. The process began with 85 programs seeking a total of almost \$35M. The beginning of today sees 48 applications with around \$10.5M. The total amount the City is rewarding is \$10M,

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so there will need to be some additional cuts made today. He stated that a little over a year ago, no one knew these ARPA funding dollars were going to exist, and many organizations had already created budgets or strategic plans for funding of the programs that did not include those ARPA dollars. He sought perspective from applicants to remember those initial goals and strategic plans, especially if financial cuts were going to be made.

Chairman Duncan stated his goal for the meeting was to not walk away having cut any of the remaining applicants, completely. He would like to say that all of the remaining 48 applicants will leave the meeting with some award recommendation, even if that amount is lower than requested.

Committee member Valdivia-Alcalá commented that she was looking at this process as a collective initiative, and working in a collective mindset, there will be shared benefit and shared sacrifice. She echoed comments made by Chairman Duncan, stating it behooves all involved to have an open mind, that nobody is getting scrapped and kicked out. She stated that she continues to feel this has been a very intentional process, one that focuses on equity, one that focuses on the myriad of issues that the community has with mental health, the affordable housing crisis, unsheltered population issues, and the public health crisis with the issue of racism. She believes that, with the small amount of \$10M, the Committee has intentionally tried to focus on those things. She thanked Chairman Duncan, noting his thoughtful approach to the process.

Committee member Naeger echoed sentiments made by the other Committee members and thanked the applicants for their patience and hard work they have put forward throughout the process.

Chairman Duncan stated that his plan for this review was to work down the spreadsheet and allow time for comments or changes from the Committee. Once the Committee has gone through the list and made funding adjustments, they can make a recommendation if it is felt to be appropriate.

[During the review process, at video minute mark 42:55, Chairman Duncan inquired with staff about the following] Chairman Duncan noted that the money has to be spent, or at least contracts signed, by the end of 2024. He asked, if by the end of 2023 or possibly mid-way through 2024, the City would be able to insert language into the contracts to check the status of projects and ask if it will be completed within six months? And that if the answer is that the project will not

be completed in that time, that the City will be able to work with the agency in other capacities, but that the ARPA dollars can be recaptured by the City and put them somewhere else? City Attorney Amanda Stanley confirmed that a caveat could be added to the recommendation to state the funding is being approved subject to the condition that it is spent within the set timeframe. City Manager Stephen Wade suggested that that procedure is followed for every one of the awardee contracts. And that staff would plan to check-in on January 1, 2024. City Attorney Stanley stated it would also be a “best practice” measure.

Committee member Valdivia-Alcalá added that the tracking component is something she has had the most concerns about. She felt reporting and tracking allowed for successes to be identified and to also serve as a level of accountability for both the City and the awardees. City Attorney Stanley stated that best practice would be to include an agreement, upon receipt of the funds, that the awardees would sign to which states they are in agreement to check-in with the City, and agreeing to track, agreeing to spend the funds within the time required, and agreeable to know there is a clawback provision if those terms are not met.

Program/Organization Application Review:

- Lulac Senior Center - Recommended award: \$105,000
- Topeka North Outreach - Recommended award: \$20,000
- East Topeka Senior Center - Recommended award: \$47,490
- IBSA - Recommended award: \$92,000
- Patterson Family Childcare - Recommended award: \$41,280
- Community Center @ Ripley Park (walk-in freezer and cooler, plumbing, signage) -Recommended award: \$25,696
- Community Center @ Ripley Park (kitchen remodel) - Recommended award: \$19,325
- Positive Connections (case management for HIV individuals) - Recommended award: \$27,000
- Mirror Inc - Recommended award: \$360,000
- Cornerstone of Topeka (transitional housing duplex) - Recommended award: \$226,256
- Open Arms Outreach Ministries - Recommended award: \$127,000
- Habitat for Humanity of Topeka - Recommended award: \$340,000
- Community Resource Council (CRC) (Computer/Internet labs in LMI communities) - Recommended award: \$214,000

- Shawnee County Medical Health Access - Recommended award: \$20,000
- Prevention and Resiliency Services - Recommended award: \$105,498
- Doorstep Inc - Recommended award: \$133,000
- Positive Connections (prevention/education and mobile testing unit) - Recommended award: \$150,987
- [Video minute mark 28:55] SENT (mental health services for Hi-Crest) - Recommended award: \$30,000
- Child Care Aware - Recommended award: \$500,000
- First Congregational Church - Recommended award: \$340,000
- Salvation Army of Topeka - Recommended award: \$25,000
- Florence Crittenton Services of Topeka- Recommended award: \$153,000
- Breakthrough House (payee program, help those in financial crisis) - Recommended award: \$7,300
- Breakthrough House (residential program for mental health) - Recommended award: \$600,000
- Love Fellowship Church - Recommended award: \$25,000
- Valeo Behavioral Health - Recommended award: \$562,635
- Cornerstone of Topeka (construction of affordable housing duplex) - Recommended award: \$117,000
- Cornerstone of Topeka (construction of affordable 3 single-family affordable homes) - Recommended award: \$172,103
- ArtsConnect - Recommended award: \$59,565
- Topeka Center for Peace & Justice - Recommended award: \$100,469
- Catholic Charities of NE Kansas - Recommended award: \$150,000
- SLI - Recommended award: \$212,780
- Community Resource Council (CRC) (create more affordable housing for LMI individuals) - Recommended award: \$800,000
- Central Topeka Oasis Group - Recommended award: \$628,136
- [Video minute mark 46:00] It Takes a Village - Recommended award: \$200,950
- Gil Carter Initiative - Recommended award: \$50,000
- Community Action - Recommended award: \$600,000
- Papan's Landing Senior Center - Recommended award: \$365,805
- YWCA Center for Safety and Empowerment (day center for trafficked victims) - Recommended award: \$101,636
- Stay Calm - Recommended award: \$32,9000
- Boys & Girls Club of Topeka (new busses) -Chair is proposing to combine the two applications into one, and combining the total. This would allow some flexibility for them to put those dollars where they are needed, if for example

the buses are cheaper than projected. Committee agreed. - Recommended award for both applications: \$280,000

- Boys & Girls Club of Topeka (staff recruitment & retention) - Combined with above award.
- YWCA Center for Safety & Empowerment (facility repairs, HVAC replacement) - Recommended award: \$318,000
- El Centro de Servicios para Hispanos - Recommended award: \$221,795
- Community First/International Academy - Recommended award: \$597,727
- TARC - Recommended award: \$72,500
- Family Service & Guidance Center - Recommended award: \$500,000
- Housing & Credit Counseling (HCCI) - Recommended award: \$76,140
- HEARTS - Recommended award: \$45,027

After review of all applications, the total was \$10,000,000. Chairman Duncan sought comments from the committee.

Committee member Valdivia-Alcalá stated that her questions that were sent out centered on translation services in Spanish and Spanish services incorporated. She inquired if there was something that could go into the contract with awardees to request that they strive to add translation services within their programs? City Attorney Stanley stated that from a policy perspective, the Committee/Governing Body members as policy makers, could add additional requirements into the agreements. If this language was added into this process only, it would be a policy choice, however she offered that the Governing Body could create an ordinance if they wanted to insert this type of criteria into everything moving forward, or vote on which items to include this on. However, there would need to be consistency across the board, and not singling out only certain organizations. She stated that, in order to have the strongest legal backing, she would recommend the Governing Body create an ordinance and for the ordinance to make certain requirements for contracting or grants. City Manager Stephen Wade stated it was staffs' intention to communicate better in all assets, and certainly one of those things means to translate into Spanish and being very clear in what the City is asking folks to sign. Additional questions were raised by the Committee to City Manager Wade regarding services and resources in Spanish, both for citizens and for organizations who may not have the funding or resources to have materials translated. City Manager Wade requested additional time to continue thinking on these strategies and bring additional information to the Governing Body. He expressed wanting to serve the Spanish-speaking population better as well, and to improve on current practices. Chairman Duncan

asked City Manager to also include looking at what references or resources the City would be able to offer to organizations who may be interested in improving in this area but are without the financial ability to do so or do not know where to begin with this process.

City Attorney Stanley stated she would do some additional research, with regard to possible simple contracting, to figure out what the legal framework is.

Committee member Valdivia-Alcalá also spoke to the issue of tracking. She made the suggestion to City Manager Wade, and staff, to have something written be provided to the Governing Body before the end of the year that lists out what the tracking mechanisms are. This will avoid confusion from Council members who remember hearing different pieces from different staff over different periods of time, and then not being able to find current information. City Manager Wade stated he had been in conversation with the Interim Finance Director and both had agreed this would be something the City would focus on creating.

Committee member Valdivia-Alcalá inquired if the final amounts and awards would be posted for the public to see? City Manager Wade confirmed they would be.

MOTION: To move the ARPA Grant award and funding recommendations to the Governing Body to request approval. Committee member Valdivia-Alcalá made a motion to approve. Committee member Naeger seconded. Motion approved 3-0-0.

4) Legislative Agenda [Video minute mark 1:09:55]

City Attorney Amanda Stanley provided the Committee with an updated Legislative Agenda and stated that everything in the packet is what the Committee was already familiar with, with the exception of one addition being presented for consideration. The new addition is one that was mentioned at a recent Governing Body meeting and deals with equity of punishment, and came as a recommendation from City Prosecution. As background, during the last legislative session, the Legislature changed the rules for Driving Under the Influence (DUI), and there is no longer mandatory jail time for a DUI. However, what has not been changed, is the mandatory five days in jail for driving when a license is cancelled, suspended or revoked. City Attorney Stanley stated this will have a real disproportionate impact on people trying to get out of the cycle of poverty, fines, and imprisonment. The City's Prosecutors feel it is inequitable that someone can drive while intoxicated and not get jail time, but someone who is driving because they are trying to get to work and their license was suspended have a five days jail time. Staff is seeking approval from the Committee and Governing Body to include, within the Legislative Agenda, an item to ask the Legislature to look at this punishment and make it discretionary, at the municipal level. Staff feels like,

at the local level, dealing with these individuals it is far easier for the City's Prosecution to find the correct level of punishment. If someone is driving without a license and truly does not care about the consequence, which is far different than the single mom who is trying to get to work and get out of the cycle.

City Attorney Stanley noted the Chief of Prosecution pulled three real-life examples of Topeka citizens who are in the cycle and presented their cases, with identifying information redacted, whose stories serve as examples of how this could help directly our citizens who are living and working in our community.

Chairman Duncan appreciated the flexibility that would be available at the local level. He stated he personally felt nervous when the Legislature passes laws that are so blanket to the point that there are no room for exceptions, and they end up harming certain subsets of the population compared to others, which he felt this DUI law does, and felt the additional language being proposed by City staff will help to address that problem. He stated he was supportive of adding that to the 2023 Legislative Agenda. Committee members Valdivia-Alcalá and Naeger agreed.

MOTION: Chairman Duncan made a motion to approve adding the DUI language into the 2023 Legislative agenda and to recommend it to move to the Governing Body for approval. Committee member Naeger seconded. Motion approved 3-0-0.

5) Housing Trust Fund [Video minute mark 1:13:30]

Chairman Duncan stated this item, and the Land Bank information were being introduced as initial conversations only at this point. In reference to the Housing Trust Fund, this has been open for a few years and he feels it is time to see something done with it and figure out how to make it work for the City. The magic number that seems to continuously come up, when asked how much would be needed to begin this process is \$1M. The other thing that comes up is, that at some point, discussion will need to be had about ongoing revenue sources to continue providing revenue sources. The third piece is to decide where the money is going to be kept, whether it stays with the City or with another entity such as the Community Foundation, where stakeholders feel more confident writing checks to that program versus just to the City.

Chairman Duncan stated the conversation of Land Bank program was another item that had been brought before the Governing Body once before, and that there is some support and a lot of questions. He is hoping those questions can be answered at the Committee level before going back before the Governing Body again. He noted there had also been an idea that perhaps the Housing Trust Fund program and Land Bank program could work together, in connection with one another, to support each other well financially. That will come before the Committee, hopefully prior to going before the full Governing Body.

Chairman Duncan noted that the Changing Our Culture of Property Maintenance has done a great deal of work of and that work from those proposals will begin being put forward from the Public Health & Safety Committee to the Governing Body. He noted the Housing Trust Fund program and Land Bank programs are on the list, but are not at the top of that list. He is hoping that by having the conversations at this level now, and preparing them so that they are more readily developed, they will be closer to ready for action when the Changing Our Culture process gets to that point, with a goal to be aiding in moving those conversations forward.

Planning Director Bill Fiander noted that at current time, the Housing Trust Fund is sitting at \$750K. About half of that funding has come from public sources with the other quarter coming from private sources. He has a sense that more people are seriously considering donating to the fund once some of the ARPA grant process settles down. The Affordable Housing Review Committee, which the Governing Body appoints members to, met and created a framework for using the trust fund dollars. A majority would be put into developer assistance, new units, guaranteed units of affordability. A smaller portion would go toward homeowner assistance and tenant & landlord assistance.

6) Land Bank Presentation [Video minute mark 1:19:25]

Director Fiander noted that the Land Bank conversation began this past Spring. At that time, City Attorney Stanley provided the Governing Body with a great legal background on the process. Director Fiander walked through a presentation that provided some answers to questions that had been asked, and to describe some of the refinement of options that staff is wanting to present.

Highlights:

- [Slide 1] Land Banks are an independent agency of a city with authority to acquire, hold, manage, and convey abandoned, tax-foreclosed, or otherwise underutilized or distressed property in order to convert such properties to productive use. This was a huge priority that was identified in the Housing Study, one of the top four.
- [Slide 3] Some unique tools a Land Bank would provide for Topeka that we do not currently have:
 - Forgiveness of outstanding ad valorem taxes. This is a huge advantage to having a land bank and having them acquire or hold property to convey for productive use.
 - Property is exempt from ad valorem taxes while in land bank. The County tax sales would be a logical pool that the City would target with a land bank.
 - Can require or cause rehabilitation of property to further ultimate goal of getting property back onto tax rolls. It is a legal enough entity that it can

be the owner, contractor and developer all rolled into one to ensure the properties are put back into productive use.

- [Slide 8] There are about 30 other communities in the state that have a land bank.
- [Slide 9] Four peer cities with existing and fairly successful land bank programs were reviewed further. These are operated on a larger scale than what the City of Topeka is looking at, so there are some metrics such as board member composition, staffing, funding mechanism, and number of properties that would be different, however it provided a good feel for the other research point, shown on slide 10.
- [Slide 10] Director Fiander noted that the largest pool of properties to target would be County tax sale properties that have back taxes, he wanted to research how the current tax sale process is working, in terms of outcomes to see if there was a fit for a land bank. Information on slide 10 indicates that, yes, there is a pool here. If a land bank can be more active and intentional with the properties it acquires or accepts, and rehab funds are put toward those properties, they can be put back into the community at a much higher “hit rate” than there would be at leaving it to chance through the tax sale process. The data on Slide 10 looks at the past five years of residential tax sales in Shawnee County. The information shown excludes vacant lots.
 - 103 properties sold, or 13% of all tax delinquent residential were sold through the tax sale process.
 - 36% were sold in the most “At risk” (AR) neighborhoods, 15% from “Intensive Care” (IC) neighborhoods, and 27% from “outpatient” (OP) neighborhoods. This fits into the City’s priorities of where we would want to reinvest.
 - The average sale price for properties in the AR/IC areas were a little over \$8K. Director Fiander stated that, to give context, the average value price (not sale price) in the NRP areas are about \$58K.
 - Post-sale, 82% had a positive value change. However, it was not a big jump to move the needle tremendously. This is an opportunity where a land bank could have pool of properties, such as these, and control the outcomes a lot better rather than leaving it up to chance.
- [Slide 11] Reviews the model options that were presented to the Governing Body back in the Spring. Both models being presented would be purchased from the residential tax sale property or can also be accepted as donations.
 - Model #1 would include:
 - Pre-determined contracting arrangement with housing partners or Community Housing Development Organizations (CHODOs).
 - They do the work, the land bank helps fund the rehab portion
 - The housing partner may sell to the homeowner to replenish the land bank funds, or can use for rental purposes.
 - Model #2 would include:

- Instead of necessarily contracting with the CHODOs, the City's Housing Services Division would scope the work out with our rehab inspectors, and contract directly with builders. This would be a more direct use of the land bank.
 - The land bank would fund the rehab.
 - The land bank would sell the property to the homeowner and replenish sales back into the land bank funds for more purchases/rehabs.
- [Slide 12] Additional options include:
 - Board option
 - Governing Body, as a whole, serves as the Board
 - A Governing Body Committee would serve as a Board
 - The Governing Body appoints a Board - citizens, professionals, trust fund committee, etc.
 - Budget options
 - Staff capacity exists for both models (Housing Services + Planning)
 - Funds are needed for purchase/rehab under both models @ \$65K - 75K per property. Director Fiander stated that, especially during the pilot program, the land bank would not want to get tied down to vacant properties, so the ideal setting would be to purchase and improve existing residential properties.
 - \$350K has been identified as a starting amount to begin the pilot program budget. Under Model 1, this would get approximately 7 units over 2 years, assuming 2 homeowner sales. Model 2 would get approximately 9-10 units over 2 years and assumes all homeowner sales.

Questions/Comments:

Chairman Duncan stated he felt the \$1M could be reached sooner rather than later. He noted that although part of that funding would come from community dollars, not all of it would. He noted the City and Governing Body would need to begin finding ongoing revenue sources. The problem is, the City will not raise taxes in order to do this, there is not currently a line item in the budget that is likely to start funding it, and simply raising fees would not generate enough money. Chairman Duncan stated this is where creativity of thinking comes into play. Eventually, a plan that allows the City to leverage the Housing Trust Fund dollars to assist the Land Bank program while simultaneously providing some revenue back into the Housing Trust Fund, will be created. This is the reason Chairman Duncan wanted to have these conversations presented together.

Committee member Valdivia-Alcalá inquired if it was only municipalities that could decide to do a land bank? Or would counties and states be able to participate? City Attorney Stanley stated she believed the statute reads that counties could participate but that states could not.

Committee member Valdivia-Alcalá requested additional information that helps define whether a land bank is successful or not successful, based on peer cities. Chairman Duncan concurred he would also appreciate having that information.

Committee member Valdivia-Alcalá voiced a concern for the program becoming stagnant if the City were to get bogged down with too many properties. She also stated that using existing staff for the program was worrisome to her as well. City Manager Wade shared that the City would maintain discretion as to when to add properties and when not to, meaning the City would have the ability to put the acquisition piece on hold as needed to prevent the program from being bogged down with too many properties. He clarified that the program would begin as a pilot program initially, and the City would be hesitant to add staff for the purposes of the pilot status. However, if it became wildly successful, staff would return to the Governing Body to seek further guidance.

Committee member Valdivia-Alcalá inquired with Director Fiander as to what his experience and suggestion would be. Director Fiander referenced the Kansas City, Kansas program as such an example of what to stay away from. Without disrespect, he noted that they were currently sitting with over 7,000 properties in their land bank. This would not be a direction staff would want to see the City of Topeka take. The data tells staff there is an opportunity for success with Topeka having a land bank program, and opportunity to be more strategic with where the purchases are made, or accept donations. He agreed that, if staff sees success from the pilot phase of the program and there is an increased need to upscale the program, they would return to the Governing Body for more direction.

Committee member Valdivia-Alcalá inquired if any discussion had been had with Shawnee County to gauge their interest. Chairman Duncan stated there had not been such discussion had, yet. He pondered as to if there would be anything in the statute that would preclude the County and City from creating a land bank together, but that there may be some initial interest to entertain that option. He referenced the County being the controlling entity of the tax sales, and it could be a benefit to partner with them because of it. Director Fiander stated it was his understanding that the County Counselor was part of the initial task force group that worked on gathering this information, and while he did not think the City usurp the tax sale process from the County, the City would be able to identify the properties that the County could put into the tax sale. In that area, for cooperation, he felt strongly that there would be a partnership. Committee member Valdivia-Alcalá suggested approaching the County to potentially include them further in the partnership of the program.

7) Other Items

No additional items.

8) Adjourn

The next meeting will be November 18, 2022. Chairman Duncan adjourned the meeting at 4:00pm.

The video of this meeting can be viewed at: <https://youtu.be/uhzv7HXye4c>