



**CITY OF
TOPEKA**



Topeka Land Bank Ordinance/Pilot

Discussion (pt.2)

What is a Land Bank?

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



What is a Land Bank's Authority?

- Requested by City of Topeka during 2009 legislative session; State approved statute but never adopted by Topeka
- Statutory Authority found in K.S.A. 12-5901 et seq.
- Governing Body (GB) may establish a land bank by ordinance and dissolve a land bank by ordinance
- May be governed by a board of trustees appointed by the GB



What is a Land Bank's Authority? (ctd.)

- Annual budget is approved by the GB
- Annual reports are required to GB on or before January 31st
- Subject to cash basis law, KOMA, and KORA
- Board may accept or refuse any property
- The Board can sell property subject to any restrictions or covenants deemed necessary for effective re-utilization



What is unique about a Land Bank?

- Forgiveness of outstanding ad valorem taxes
- Property is exempt from ad valorem taxes while in land bank
- Can require or cause rehabilitation of property to further ultimate goal of getting property back on tax rolls



Ad Valorem Tax Forgiveness

- When a City acquires property for its land bank the county treasurer must remove from the tax roll all taxes, assessments, charges, penalties and interest that are due on the land.
- The only exception to that is special assessment. The City has the option of waiving specials.



How is property accepted in a Land Bank?

- Property can be acquired through purchase or donation
- Most land banks specify whether they will accept properties with structures, or limit acquisition to only vacant lots
- Key Takeaway: land banks can be whatever a city wants it to be; no two land banks look identical



State-wide Land Banks

- Wichita (est. in 2021)
- Overland Park
- Kansas City / Wyandotte
- Olathe
- Salina
- Fort Scott
- Atchison
- Concordia
- Arkansas City
- Pittsburg
- Abilene
- Ottawa
- Junction City
- Mankato
- Greensburg
- Marion County
- McPherson
- Moundridge
- Beloit
- Hutchinson
- Douglass
- Kechi
- Valley Center
- Stafford
- St. John
- Neodesha
- Arma
- Girard
- Greensburg
- Newton
- Bel Aire
- Leawood



Peer Cities

City	Board Members	Staffing		Property Types	Funding Mechanism	Number of Properties Held	Use of Tax Sale / Foreclosure	Budget
		City	County					
Wichita* *just approved pilot	9 members: Each member of Gov Body appoints 1 member. 2 of 9 considered "at large" representing neighborhoods north and south of US 54/Kellog.	X - 1 FTE		Vacant lots or vacant residential properties, and commercial property.	City budget, property donation	0	Aquires property through tax foreclosure	\$377,000 - budget for the pilot program
Pittsburg	7 members: Real Estate Rep, Contruction, USD250 Rep, County Rep, Legal Rep, 3 non-voting, Financial Rep	X - Existing staff		Any property, with or without a structure.	City budget, property donation	58	Aquires property through tax foreclosure	\$34,000 - 2021 budget
Hutchinson	5 members: 3 residents with operations expertise, 2 members from Housing Commission	X - Existing staff		Primary focus is vacant lots for new construction/productive use. Have looked into acquiring vacant homes recently.	Housing Trust Fund (city), city budget, proceeds from property sales	11	Aquires property through tax foreclosure	Annual \$10,000 city budget allocation
Wyandotte County / KCK	11 memebers, the mayor/chief executive and the commissioners of the unified government	X - 1 FTE		Vacant land and properties with structures (residential and commercial).	City budget, property donation	7,800	Aquires property through tax foreclosure	\$194,000 - 2022 budget



Residential Tax Sale Data (2016-21)*

10

*excludes vacant lots

- 103 properties sold OR 13% of all tax delinquent residential
- 36% At Risk (AR), 15% Intensive Care (IC), 27% Out Patient (OP)
- AR/IC properties
 - Average Sale Price = \$8,465
 - Post Sale = 82% +value change **BUT** 76% under \$20K, 48% under \$10K
 - As of 2022 → 71% < \$50,000 and 41% < \$25,000
- OP properties
 - Average Sale Price = \$20,431
 - Post Sale = 79% +value change **BUT** 77% under \$20K, 55% under \$10K
 - As of 2022 → 43% < \$50,000 and 7% < \$25,000



Model #1

- Purchase residential tax sale property or accept donations
- Contract w/ housing partners (e.g. Cornerstone, Habitat, SENT)
- Land Bank funds rehab
- Housing partner may sell to homeowner to replenish land bank funds or rent

Model #2

- Purchase residential tax sale property or accept donations
- CoT Housing Services scopes work and contracts directly w/ builders
- Land Bank funds rehab
- Land Bank sells to homeowner and replenishes land bank funds for more purchases/rehabs



- Board Options
 - GB as a whole serves as Board
 - GB committee serves as Board
 - GB appoints board – citizens, professionals, trust fund committee, etc.
- Budget Options
 - Staff capacity exists for both models (Housing Services + Planning)
 - Funds needed for purchase/rehab under both models @ \$65-75,000 per property
 - \$350,000 pilot budget
 - Model #1 approx. 7 units over 2 years (assumes 2 homeowner)
 - Model #2 approx. 9-10 units over 2 years (assumes all homeowner)



Key Benefits

- Adds tool to Topeka tool box to remove obstacles for re-utilization of vacant, abandoned, and foreclosed properties
- Can be strategic with purchases that are devaluing a block or neighborhood



Questions?

