



CHAPTER 5

HOUSING & INVESTMENT STRATEGIES

COMMUNITY PRIORITIES

A series of round table discussions and one-on-one interviews were held with stakeholders representing broad interests in housing and community development. These stakeholders—faith leaders, social service providers, and neighborhood leaders; philanthropic organizations; landlords and property managers; university and large employers; brokers and real estate agents; and representatives from the financial sector—provided valuable insight into Topeka’s current housing market, the needs of residents, how housing affects employee attraction and retention, the challenges of providing a diverse housing stock, and the role they play in addressing Topeka’s housing challenges.

The input received during these conversations helped establish the community’s housing and community development priorities. These priorities were synthesized into six themes that form the strategic framework for the Housing Study and Strategy.

Quality

Topeka has a reputation as an affordable place to live. Yet, anecdotally, current and prospective residents say that they have trouble finding quality housing in their price range, particularly for-sale options. One challenge is that much of the city’s affordable housing stock is not in quality condition or lacks amenities that modern households look for. Many neighborhoods with affordable stock are similarly undesirable, often lacking assets such as access to transit and parks, and proximity to jobs and shopping.

Reinvest

The city is still feeling the effects of decades-old housing policies that diverted investment away from Topeka’s core neighborhoods. The lack of capital to maintain housing over the decades directly led to poor housing conditions and a spiraling effect of neighborhood disinvestment that disproportionately affects today’s Hispanic, African American, and low-income white households.

Resources

Topeka’s housing and community development “ecosystem” includes partners who provide services and programs to help the city’s neediest households attain and remain in quality affordable housing. Yet, the level of need is greater than the resources available for these partners to provide for all households that need assistance.

Opportunity

Housing stability—the ability to find, attain, and retain quality, affordable housing—is a central component of any comprehensive housing strategy. Unfortunately, Topeka ranks disproportionately low on two key indicators of housing stability—evictions and homelessness. With a relatively high eviction rate, and an increase in the number of homeless people counted in the latest point-in-time count, the city and its partners are acutely aware of the need to improve access to housing opportunity. Not having a permanent home disrupts the rest of a person’s daily life: it is harder to find a job, private landlords may not rent to prospective tenants who lack a rental history, and children struggle to maintain a quality education.

Access

The mismatch between Topeka’s affordable housing stock and its job centers affects both Topeka’s workers and its employers. Workers who rely on transit find it difficult to get from their more affordable neighborhoods in the core to jobs that have moved further out. Likewise, some employers are having difficulty getting entry workers to their businesses. While the availability of transit and business location decisions play a role in better access to jobs, so too does providing affordable workforce housing in areas of opportunity throughout Topeka.

Options

While affordable housing is a critical need in Topeka, it is not the only need. Housing of all types and prices is needed to satisfy the current and future housing demand. Limited options at the higher end means greater competition for mid-priced housing, or that high-earning professionals commute from outside Topeka to find housing options that meet their desires. For emerging professionals with smaller households, there is difficulty finding something other than single-family housing or apartments. The so-called “missing middle”—duplexes, fourplexes, row townhouses, to name a few—provides a range of sizes, amenities, and prices, often in in-fill locations, that appeal to a growing segment of the population.

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**.

GOALS & THE CONDITIONS FOR SUCCESS

The community priorities and findings from the analysis inform five goals for housing in Topeka. With the right tools and policy supports in place, the community can make significant progress toward these goals over time.

The five goals outlined to the right seek to honor community priorities, address the full range of housing needs in the area, and offer a strategic direction for organizing the efforts of the city and its partners.

These five over-arching goals include:

1. Leverage housing (re)-investment to **stabilize Topeka's core neighborhoods**.
2. Improve housing stability for Topeka's vulnerable residents — **housing as opportunity**.
3. Support **new housing development**, particularly **affordable** and **moderate-income** options.
4. 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.

GOAL 1: REINVESTMENT



“Reinvestment in housing will stabilize Topeka's core neighborhoods

The age of housing stock, combined with the legacy of disinvestment from red lining policies, has played a significant role in the decline of Topeka's core neighborhoods. While these neighborhoods provide what might be called naturally occurring affordable housing, three-quarters of the most affordable housing stock is rated below average. This impacts a household's ability to maintain the house, as well as the marketability of the house to future potential buyers. This is especially true in neighborhoods like East Topeka, Hi-Crest, North and Central Topeka, where median home values are \$75,000 or lower.

Investment in existing housing is critical for improving the safety, quality, and marketability of the housing stock. For some homeowners, it is providing technical and financial assistance for home repair—identifying critical improvements and connecting partners to help get the work done. A weatherization program can be an effective, lower-cost way to improve home health, energy efficiency, and provide cost savings on utility bills. Targeted effectively, such programs can have a profound impact on the quality of core neighborhoods and the quality of life for many Topekans.

GOAL 2: STABILITY



“Improved access to resources and services will stabilize Topeka's vulnerable residents

For a city its size, the number of evictions and homelessness being experienced in Topeka presents a significant challenge. Housing instability affects a household in numerous ways—ability to address chronic health issues, economic mobility, and educational attainment for children, to name a few. Older adults experience housing insecurity as they age, and as physical and financial ability can make it hard to stay in their current home. Strategies to improve housing stability and prevent displacement are key to individual and family wellbeing.

Promoting housing stability focuses on eliminating barriers to homeownership, such as access to available credit, savings for down payment, knowledge about the home buying process, and saving for needed home repairs. Efforts to reduce the number of evictions, through emergency rent and utility payment assistance, mediation, and legal representation, can help stem the cycle of housing insecurity that can plague some low-income families. For many, expanding the availability of affordable rental opportunities can provide stable housing that may lead to eventual homeownership.

GOAL 3: AFFORDABILITY & MIXED-INCOME



“ Diversity of housing at various price-points will sustain balance between retaining affordability and attracting higher income households

The need for quality housing in Topeka spans the entire spectrum of prices and types of housing. National and local trends are showing smaller household sizes, a desire for quality, amenity-rich neighborhoods, and less home maintenance. The lack of what is commonly referred to as “missing middle housing”—duplexes, fourplexes, row townhouses, small apartments—is limiting the ability of Topekans to find the right size of housing, in the right neighborhood, at the right price to meet their household needs.

Many tools and programs are already in place that could be aligned, leveraged, and targeted in certain neighborhoods to get the greatest impact. Promoting and supporting the use of low-income housing tax credits, leveraging funds from an Affordable Housing Trust Fund, and promoting the building of homes on in-fill lots, can all work together to create affordable housing options. Targeting such investments in neighborhoods where other community improvements to parks, sidewalks, trails, and transit are already happening can go a long way in enhancing the access to employment and quality of life.

GOAL 4: ADDRESS VACANCY



“ Addressing vacancy and absent landlords will promote rehabilitation and reinvestment in Topeka’s neighborhoods.

Vacant and neglected properties are a challenging and often intractable issue. Absentee owners are not invested in their communities and see rental properties as an income stream that can be maximized by reducing spending on maintenance. Housing that remains vacant due to neglect or when they become in such disrepair that they need to be demolished, that further impacts property values, neighborhood safety, and quality of life for neighbors, and further strains the city’s ability to address negative impacts.

Addressing absentee and problem landlords requires a targeted approach, one that is aimed at improving the quality of housing while not impeding the many quality landlords from renting their stock. Licensing, certification, and inspection programs should be focused on meeting housing goals. Properties approaching severe disrepair should be identified and fixed before being demolished. Vacant properties should be actively acquired, managed, and put back into production through active land banking and partnerships with developers who can access resources to provide needed affordable housing stock.

GOAL 5: HOUSING ECOSYSTEM



“ A comprehensive housing ecosystem will provide tools and partnerships to advance Topeka’s housing goals

There are many partners working in Topeka to provide quality affordable housing, but they collectively lack the capacity to provide all of the affordable and workforce housing needed. The lack of capacity is in all facets of the community development ecosystem—builders to build the stock, financial institutions to provide capital, philanthropic and private equity to leverage public dollars. The resources that are available in Topeka are in many ways spread too thin throughout the city, or in other ways too small scale and targeted to small areas, to truly have a collective impact to address the broad range of housing needs.

Expanding the capacity of the housing ecosystem must happen on several fronts. Building new partnerships, between the public, private and philanthropic sectors, is needed to adequately fund the affordable housing trust fund. Promoting the creation of a community development financial institution (CDFI) dedicated to providing affordable housing, and a community development corporation (CDC) that can scale up and work in specific, targeted neighborhoods, can help leverage other public funds, programs, and strategies to expand the overall supply of affordable housing.

STRATEGIES SUMMARY

This strategic framework outlines six complementary strategies to meet the broad range of housing needs in Topeka. No single strategy on its own will be sufficient; a holistic approach based on collaboration, coordination, and partnership is needed to advance the housing goals in an equitable and balanced way.

This chapter outlines a strategic framework that identifies and organizes a broad array of actions that can be taken by the city and its partners to meet the city's housing needs. This framework offers a means by which the city and its partners can coordinate their efforts, plan ahead, and identify opportunities for collaboration around a shared goal.



S1

Improve the quality of existing housing

Quality of housing stock is central to the stability of neighborhoods. Improving the quality and availability of affordable housing will require a range of ambitious strategies designed to support high standards for existing housing. Expanding access to weatherization programs for homeowners and landlords and providing financial and technical assistance for home repair can help elevate disrepair and maintain the housing stock quality.

In addition, mechanisms such as a landlord licensing program and continuing robust code enforcement can be extremely effective in keeping quality affordable housing within reach for all Topekan.



S2

Address abandoned and vacant properties

Vacant and neglected properties are a multifaceted issue—they contribute to crime, erode community confidence, drain city resources, stall reinvestment, and leave buildings that could otherwise serve as quality housing on the sidelines. With a citywide vacancy rate of 11 percent (and rates as high as 21 percent in Central Topeka and 17 percent in East Topeka), responding to this challenge is a clear priority.

Multiple recommendations such as creating a land bank, continuing consistent code enforcement efforts, expanding vacant property registry, and adopting a 'demolition as a last resort' policy will be used to address vacancy citywide.



S3

Expand resources to encourage housing stability and homeownership

Improving housing stability involves efforts to prevent housing insecurity and displacement in all of its forms. For a city its size, the number of evictions and homelessness being experienced in Topeka presents a big challenge. Eviction can trigger a cycle of instability and displacement that leads to homelessness, is a barrier to maintaining employment, and disrupts childhood learning by forcing children to switch schools, miss class, and adjust to new surroundings. Older adults or individuals with mobility challenges may be unable to find homes with the accessibility features they need to stay in their current neighborhood. Strategies to improve housing stability and prevent displacement are key to individual and family wellbeing.

Through focus groups and interviews with City staff and stakeholders, the need to support homeownership as a key component to reinvestment and stabilization in Topeka was a consistent theme. Strategies must ensure that supports—for current and potential homeowners—extend opportunity to those who might otherwise be left behind as neighborhoods improve: long-time homeowners, and low- and moderate-income households who are eager to be an active part of the city's future.



S4

Support development of a diverse mix of housing types

The projected housing demand and vacant land together create significant opportunities for infill development in some neighborhoods of Topeka. However, it will take coordination and support to ensure that this infill complements neighborhood character and creates housing opportunities for households with a range of incomes.

The city and its partners must play an active role in marketing Topeka's housing needs to developers active in nearby cities and provide them with incentives that will encourage the desired housing development throughout the city. Financial



S5

Expand production of affordable housing to enhance economic mobility

Market analysis and stakeholder conversations both underscore the importance of affordable housing. Quality affordable housing—the largest segment of future housing demand in the city—typically requires some form of policy support, incentive, or subsidy to develop. While much of the city's existing housing stock is low-cost relative to other cities, there are not enough quality options to meet the demand. Strategies to expand production are needed to compliment programs aimed at improving the existing stock.

S6

Expand financial and organizational capacity

The city and its partners have several tools and resources at their disposal to address the spectrum of housing needs throughout Topeka. Some are actively used and are very successful. Others are less successful or remain untested in Topeka due to a lack of capacity to carry them out. Making strategic use of funds, for existing and new programs, will be critical. To compliment any efforts to expand existing funding and programs, the city should strategically support broadening and strengthening the organizational capacity of its partners to fully meet the city's housing needs. This is true for every type of demand, from affordable and workforce housing all the way to upscale and luxury housing.

S1

**IMPROVE THE QUALITY OF
EXISTING HOUSING STOCK**

Quality of housing stock is central to the stability of neighborhoods. Improving the quality and availability of affordable housing will require a range of ambitious strategies designed to support high standards for existing housing. Expanding access to weatherization programs for homeowners and landlords and providing financial and technical assistance for home repair can help elevate disrepair and maintain the housing stock quality.

In addition, mechanisms such as a landlord licensing program and continuing robust code enforcement can be extremely effective in keeping quality affordable housing within reach for all Topekan.

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

Home repair programs are a powerful tool to assist homeowners with basic repairs, thereby improving their housing stability and improving housing and neighborhood conditions. The city of Topeka and its partners already have some home repair resources in the Property Maintenance Repair and Emergency Home Repair programs. However, a significant portion of the housing stock, particularly in the core neighborhoods, have housing condition challenges, including housing vacancy.

Expanding home repair programs and funding, especially in targeted geographies with other strategic efforts, will support meeting a portion of housing demand with the existing housing stock.

Home repair programs could be structured as grant, or forgivable loan, for income-qualifying homeowners. Additionally, the city should consider waiving permitting fees for low- and moderate-income homeowners to invest in their homes.

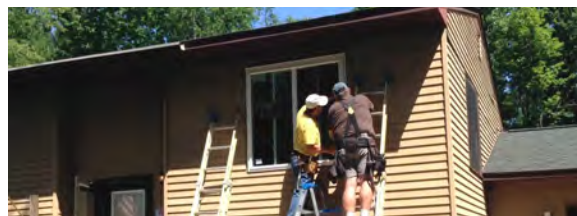
Having a database of qualified contractors can ease the process of entering home renovation for a lot of homeowners. The city could also partner with home supply stores, local contractors, and other organizations to conduct regular repair training classes.



Leverage historic districts and community anchors to identify targeted investment areas

The city and its partners need to be strategic with where to focus residential development. Identifying and planning catalytic residential projects that leverage existing community anchors and historic districts can help promote stability and connectedness in the community.

Historic districts are particularly valuable because of the potential to use Historic Tax Credits to cover a portion of renovation costs. Key sites and existing properties in historic districts should be mapped and renovations using historic tax credits should be promoted.



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

Weatherization programs can help low-income families reduce their energy costs by making their homes more energy efficient. Based on the research by Green and Healthy Homes Initiative, these programs return \$2.78 in non-energy benefits for every dollar invested. Additionally, weatherization programs save an average of \$514 in out-of-pocket medical expenses and \$583 per day due to fewer missed days of work.¹

Expanding weatherization programs is an important effort toward improving the overall health and job stability for Topekans. It is recommended that the city leverage a portion of its entitlement funds to a permanent funding source for home weatherization programs. Such a program could be expanded to rental properties owned by responsible landlords. Along with providing benefits to the renters like lowering their utility bills, this would also be a source for providing non-subsidized affordable units.

¹Green & Healthy Homes Initiative, "Weatherization and its Impact on Occupant Health Outcomes".

WEATHERIZATION ASSISTANCE PROGRAMS



Weatherization Assistance Programs are designed to reduce the impact of high home energy costs for income eligible residents by implementing energy-efficient measures that may include reducing air infiltration, installing insulation, heating system repair or replacement, and air quality assessment.

At the same time these multicomponent weatherization services also produce non-energy benefits that address many health issues by remediating the hazardous environmental conditions that cause or are associated with negative health outcomes. International Energy Agency defines non-energy benefits, or multiple benefits, as "the wider socio-economic outcomes that can arise from energy efficiency improvement, aside from energy savings.

Investments in community-based programs that provide energy efficiency, weatherization or other integrated housing interventions generate non-energy benefits related to improvements in housing stability, affordability and quality of low income housing.



Create a Landlord Licensing program to address landlords with persistent code violations and excessive evictions

Owners and managers of existing rental properties are important partners in the provision of quality housing. Many landlords in the city do an excellent job of maintaining their properties and serving their tenants; however, the landlords who do not proactively address maintenance, health, and safety issues create a number of challenges for their tenants and for the neighborhoods in which their units are located. In too many cases, substandard rental housing puts already-vulnerable households at greater risk of health problems and housing insecurity.

Landlord licensing programs have been a useful tool in many cities for addressing these problem properties by ensuring that all rental property businesses meet baseline standards for property maintenance.

This system should be created in a manner that does not penalize or require unnecessary inspections of properties that are well-maintained and operated, but only requires inspection and occupancy permits for properties that meet a set criterion for non-compliance. Owners of problem properties that routinely fail to comply with standards and put tenants at risk should be required to participate in various measures to ensure their compliance, such as property inspections prior to being granted an occupancy permit.

A landlord licensing system would be a valuable tool and should be implemented citywide. The city could also explore self-certification and a framework that assumes initial compliance, phasing inspections over time.

Current Kansas law prohibits cities from adopting, enforcing, or maintaining a residential property licensing ordinance that includes a requirement for periodic interior inspections of privately-owned rental property for code violations unless the lawful tenant has consented to such interior inspections. This requirement places an administrative burden on cities, which typically do not have the staffing to obtain permission from tenants in advance. Changes in state law that allow for routine inspections tied to occupancy permits, or other flexible options would improve the efficacy of this type of program.

The intent is to create a system that allows interior inspections to prevent unsafe living conditions, particularly in cases where tenants are not comfortable reporting issues to the city.



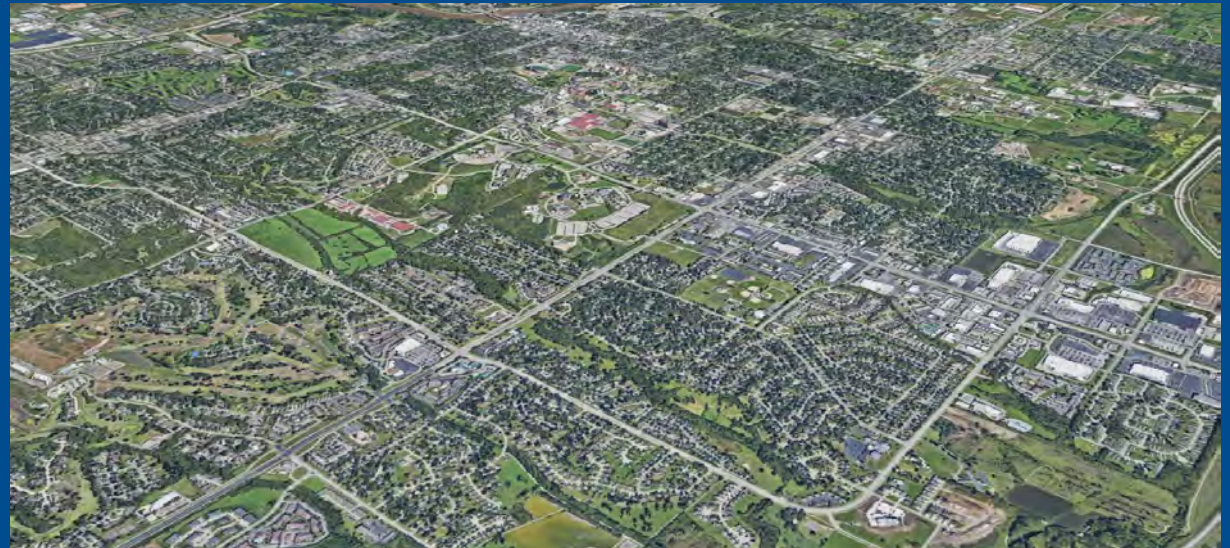
Fund adequate staff to support consistent code enforcement

Quality property maintenance and repair is essential to preventing vacancy and to providing safe and healthy housing. Housing that is well-maintained is more likely to remain occupied, hold its value, and encourage investment in surrounding housing. Conversely, overgrown properties and buildings in disrepair can attract nuisances and crime.

The city should consider funding adequate staff to continue and strengthen code enforcement practices that actively identify and resolve code compliance issues in problem areas of the city. By providing necessary support and funding for code enforcement, the city can sustain and enhance property maintenance standards in the city, thereby improving the quality of the housing stock and promoting neighborhood stability.

CASE STUDY LANDLORD LICENSING PROGRAM

Lawrence, KS



The Rental Licensing and Inspection Program in Lawrence, KS, which went into effect on January 1, 2015, requires all rental properties within the city to maintain a valid rental license. The program calls for interior and exterior inspections of dwelling units every three years to ensure minimum code standards are met to protect the life, health, safety and the general welfare of occupants.

The program is administered through an annual licensing fee of \$17 per dwelling unit (for a building having 1-50 units), varying as the number of units increases.

Between inspections by the city, tenants are encouraged to work with their landlord to address maintenance issues that need to be corrected.

Tenants can also request an inspection of their dwelling unit at any time if they believe that the unit is not maintained to meet the minimum property maintenance standards as set forth in the city's Property Maintenance Code.

S2

**ADDRESS ABANDONED
AND VACANT PROPERTIES**

Vacant and neglected properties are a multifaceted issue—they contribute to crime, erode community confidence, drain city resources, stall reinvestment, and leave buildings that could otherwise serve as quality housing on the sidelines. With a citywide vacancy rate of 11 percent (and rates as high as 21 percent in Central Topeka and 17 percent in East Topeka), responding to this challenge is a clear priority.

Multiple recommendations such as creating a land bank, continuing consistent code enforcement efforts, expanding vacant property registry, and adopting a 'demolition as a last resort' policy will be used to address vacancy citywide.

**Create a Land Bank to return vacant properties to productive use**

One of the greatest barriers to addressing vacancy and dilapidated properties is the lack of a straightforward mechanism to strategically acquire, address title issues, and eliminate past due taxes and liens from these properties prior to transferring them to a new owner.

Vacant properties fall into further disrepair without a strategy for how and where these properties will be acquired and reintroduced into the market.

Land banks are entities established to provide this focused capacity and work with community organizations, developers, and others to align their work with rehabilitation interest and community priorities. They 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.

The city should create or identify public or nonprofit entities to strategically acquire vacant / problem properties and convert them to productive use. The city can explore working with Shawnee County to establish ability to view, strategically purchase available vacant properties prior to their sale at the Judicial Tax Foreclosure Sale.

Land banks are most successful when paired with resources to renovate and rehabilitate properties, actively returning them to productive use. The city should consider aligning the land bank activities with active and future SORT projects to maximize potential impact.

Additionally, partnering with quality developers and contractors can build capacity to rehabilitate acquired properties to a move-in ready condition.

CASE STUDY

LAND BANK PROGRAMS

Kansas City, KS & Pittsburg, KS



Land Banks are known to work best with a predictable, recurring source of funding such as a portion of the Local Use taxes. Additionally, establishing partnerships with community and economic development organizations can help provide critical gap funding to operate land banks.

The goal of the **Kansas City Land Bank Rehab Program** is to rehabilitate neglected and abandoned homes in Wyandotte County and rejuvenate neighborhoods within the city. The program works with contractors, real estate investors, and experienced rehabbers to develop and rehabilitate vacant land as well as structures that are acquired by the Kansas City Land Bank.

Interested contractors and developers must apply to be in the program, and once approved, are provided with a listing of land bank houses, have the opportunity to attend open houses, and make offers on properties.



The **Pittsburg Land Bank** has the primary responsibility and authority to efficiently acquire, hold, manage, transform, and convey abandoned, tax-foreclosed, or otherwise under-utilized or distressed properties into productive use.

The Pittsburg Land Bank acquires property through purchase, owner donation, or tax foreclosure. This land bank is divided into three types of parcels:

- **Parcels with a Structure:** Parcels of land with existing structures, including homes, garages, and businesses.
- **Buildable Parcels:** Parcels of land without any free-standing structures before purchase, where structures such as houses or other large buildings can be built.
- **Non-Buildable Parcels:** Parcels where houses or other large buildings cannot be built, but garages, fencing, paving, or other similar structures can be built.

Properties in the Pittsburg Land Bank are priced at 75 percent of the appraisal price, as determined by the Crawford County Appraiser's Office.



Continue consistent code enforcement efforts

Efforts to prioritize code enforcement have led to a more proactive approach over the past five years in the City of Topeka. Municipal Court, City Prosecution and Property Maintenance Division have worked together to increase voluntary compliance and prosecution of parties who refuse to voluntarily comply dramatically in the past 5 years with increases from 6 cases a year to multiple dockets each week dedicated to Property Maintenance cases. Any code violation notices sent to property owners include a list of resources and potential contractors aimed at assisting the owner with resolving the violation.

Also, the City Prosecutor meets regularly with City of Topeka Property Maintenance Code Division staff for training on the legal application of the city's International Property Maintenance Code, as well as meeting in preparation for each week's Code Dockets in Municipal Court.

It is important to continue this momentum by securing funding to add adequate staff to enhance quick response and follow-up actions to code violations.



Expand the foreclosure and vacant property registry to support other initiatives

The city recently created a foreclosure and vacant property registry to assist in locating owners of such properties should a need to contact arise. Creating and maintaining a database of vacant and abandoned properties can help identify areas where vacancy is problematic. This information can help the city take a strategic approach to code enforcement and focus its resources where they will have the greatest impact.

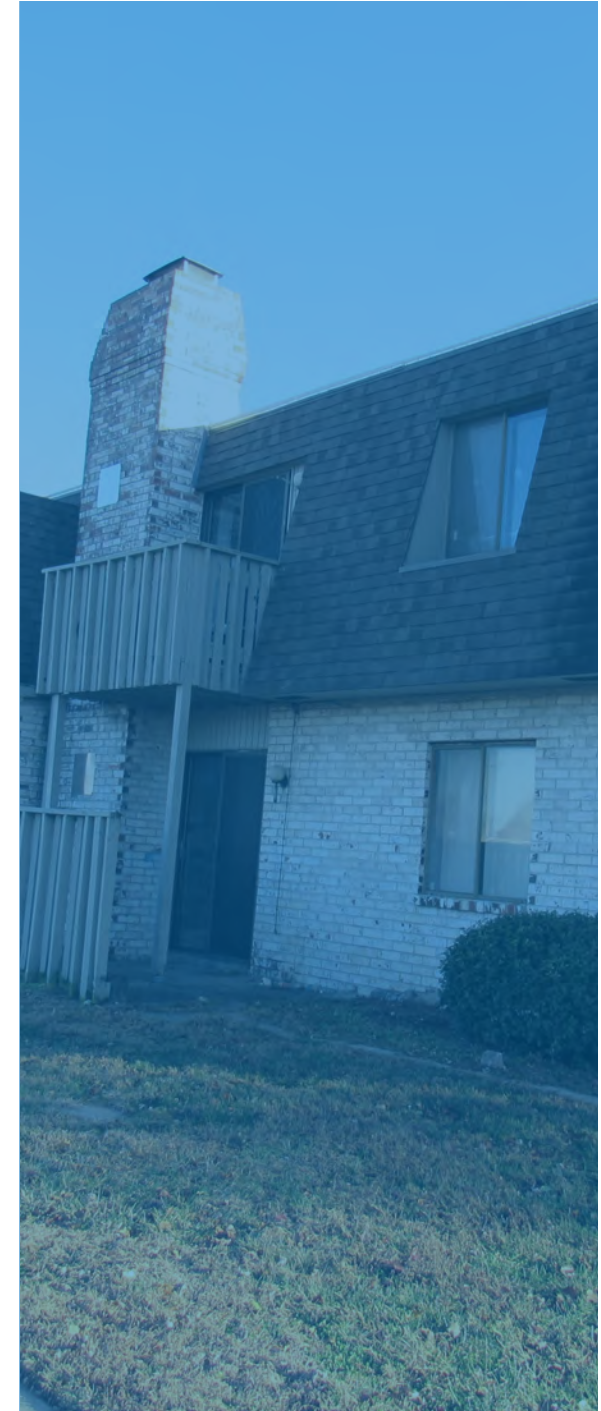
The city can also use this database to analyze ownership patterns, add data to track properties with recurring code violations and nuisance complaints. This can help the city proactively manage problem landlords and prevent properties from being abandoned.



Adopt demolition as a last resort policy

Preservation of old, abandoned or dilapidated homes encourages cities to build on the assets they already have and capitalizes on the potential of older homes to improve health, affordability, prosperity, and well-being. The city should consider adopting 'demolition as a last resort' policy to promote renovation and preservation in the neighborhoods of Topeka.

Renovating older homes raises the value of neighboring properties while also increasing the marketability of the neighborhood to outside home buyers. The city and taxpayers also benefit by the city not having to take care of the property, insurance costs, code enforcement check-ups and demolition costs when the house is city owned. Renovating abandoned housing in considerably decent condition is also, for the majority cases, more cost effective than building new housing on vacant land.



S3

**EXPAND RESOURCE TO
ENCOURAGE HOUSING
STABILITY AND PROMOTE
HOMEOWNERSHIP**

Improving housing stability involves efforts to prevent housing insecurity and displacement in all of its forms. For a city its size, the number of evictions and homelessness being experienced in Topeka presents a big challenge.

Eviction can trigger a cycle of instability and displacement that leads to homelessness, is a barrier to maintaining employment, and disrupts childhood learning by forcing children to switch schools, miss class, and adjust to new surroundings. Older adults or individuals with mobility challenges may be unable to find homes with the accessibility features they need to stay in their current neighborhood. Strategies to improve housing stability and prevent displacement are key to individual and family wellbeing.

Through focus groups and interviews with City staff and stakeholders, the need to support homeownership as a key component to reinvestment and stabilization in Topeka was a consistent theme. Strategies must ensure that supports—for current and potential homeowners—extend opportunity to those who might otherwise be left behind as neighborhoods improve: long-time homeowners, and low- and moderate-income households who are eager to be an active part of the city's future.



Expand financial assistance for low-moderate income homeowners and homebuyers

Many current and would-be homeowners face significant barriers to sustainable homeownership, which continues to be a path for building wealth and economic mobility. Barriers include credit, savings for a down payment, knowledge about the home buying process, and home repair needs.

Several lenders and nonprofits already offer products and programs that address this need in the city. Topeka Opportunity to Own (TOTO) is a great resource for prospective homeowners to gain education and finance counselling that can aid their journey to homeownership. First-time homebuyer loans and down payment assistance are other critical elements of a homebuyer support system. Ensuring the strength of this network, coordinating across organizations, and connecting them to households in the city are important first steps.

A second step is to explore the creation of a mortgage-lending Community Development Financial Institution (CDFI). CDFIs are entities that offer tailor-made products and programs, investing federal dollars alongside private-sector and philanthropic capital. Creating a new CDFI would expand the availability and flexibility of capital to support homeownership. They are typically able to make loans and other investments in emerging neighborhoods that do not have access to capital from traditional financial institutions.

Depressed appraisal values, in some parts of the city, can cause financial hardships for most low-and moderate income households interested in buying or renovating homes in these areas. Appraisals do not support the loan amount needed to cover the full cost of that investment even when to prospective buyer is well-qualified to purchase and renovate a home. This is a barrier especially for prospective buyers who do not have extra cash available to cover this “appraisal gap.” The City can explore creation of an appraisal gap mortgage program that offers a mortgage on the gap between appraised value and the full cost of purchase and repair to support homebuyers interested in purchasing or renovating homes in neighborhoods where market values are depressed.

Additionally, the City can partner with THA to expand the Family Self Sufficiency program and assist families reach their homeownership goals. Existing organizations such as Habitat for Humanity and Housing and Credit Counselling, among others, can be potential partners in expanding financial assistance to homeowners and homebuyers in Topeka.

CASE STUDY **CROWN PROGRAM** Omaha, NE

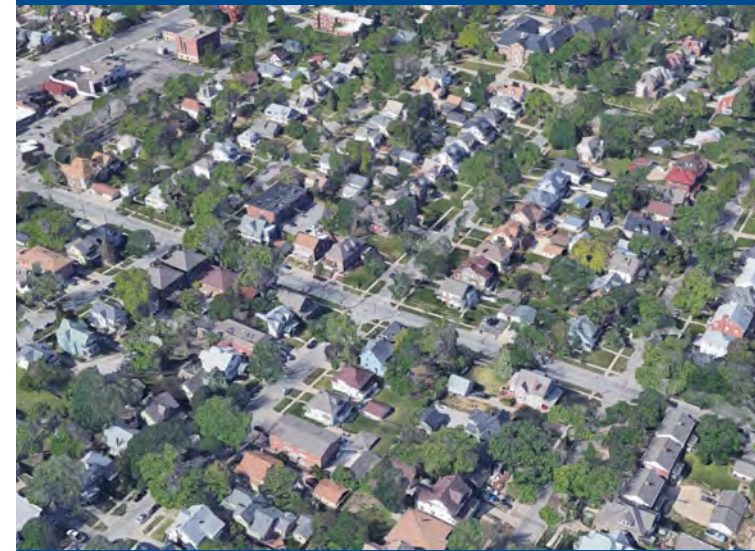


Support residents working towards homeownership with affordable rental opportunities

In the context of homeownership, affordable rental housing is critical for households working toward homeownership. Stable, affordable housing creates a necessary foundation for households to save for a down payment, improve their credit, or obtain a stable, well-paying job—all key milestones on the path toward homeownership. Lease-to-own models are one mechanism for tying affordable rental housing to homeownership. In a lease-to-own program, households are offered affordable rents, savings supports, and homebuyer education during their tenure as renters, then given the option to purchase the property at the end of an agreed-upon time period.

Additionally, the City can identify partner developers to utilize Low Income Housing Tax Credits (LIHTCs) to build affordable units that would convert to homeownership units after the compliance period. Some developers, like the CROWN program in Omaha, NE, utilize LIHTC program to build quality rental units that, at the end of their initial 15-year compliance period, are converted to affordable homeownership opportunities.

The City, in partnership with THA, can explore the possibility of utilizing Housing Choice Vouchers to support homeownership. This could involve allowing first-time, qualified home buyers (currently assisted under the HCV program) to use their voucher towards monthly assistance in meeting homeownership expenses such as mortgage payments and property taxes.



The Douglas County Housing Authority's CROWN program provides participants an opportunity to become homeowners. It is a credit-to-own program where the participants rent a house, develop home ownership skills, and build an escrow to use for the purchase of a home at the end of the participation period. Participants are offered homeownership/financial educational assistance that help them overcome obstacles to buying their own home. Ideally, tenants would move from renting to homeownership within 3-5 years of beginning the program, and then the rental housing becomes available for another family to enter the program.

The Housing Authority works with developers to construct single family homes that are eventually rented through the CROWN program to families whose incomes do not exceed 60% of the area median income. The three, four and five-bedroom homes with full basements and garages are located on scattered sites throughout Omaha.



Expand financial and technical assistance for rehabilitation

There is a wide range of options for supporting rehabilitation and renovation. Rebating permitting fees for homeowners in targeted geographies, creating neighborhood tool-sharing programs, and providing lists of qualified contractors could all reduce barriers to reinvesting in the housing stock.



Provide housing options that support aging in place

One in every six residents in the city is aged 65 years or older. Ensuring the availability of appropriate housing options will create opportunities for seniors to age in place, and also attract seniors from other parts of the region.

Allowing for housing typologies that build in affordability (such as accessory dwelling units) can provide the needed housing support for seniors to age in place. Accessibility modifications to existing rental and owner-occupied housing—such as doorway widening and grab bar installation—can help mobility-challenged individuals comfortably and safely stay in their current homes.

New infill development can also include some number of accessible units, with features such as zero step entries and wheelchair-friendly interiors. Senior villages, which include support services and activities for individuals in a neighborhood, are an emerging model to expand holistic support and reduce isolation for seniors in their homes. One such community – Villages OKC, Oklahoma City – that provides the needed support services for seniors to have a sense of community and comfortably age in place is discussed on the facing page.

TENANT RIGHT TO COUNSEL



Expand supports to prevent and address eviction and homelessness

Topeka has a high rate of homelessness for a city of its size. It is a similar situation when it comes to evictions - one of every twenty-three renter households were evicted in 2016. Both eviction and homelessness are multifaceted challenges that must be addressed at many levels.

Safe, stable, and affordable housing; expanded resources to help tenants prevent eviction and homelessness; and robust assistance for people experiencing homelessness are all part of a system to solutions to address this issue. Expanding tenant education can help vulnerable renters learn to be stable tenants and avoid future issues.

Resources that help divert tenants from eviction—such as emergency rent and utility assistance— can stop an eviction filing before it starts. The City can coordinate with utility providers to identify tenants with delinquent bills, ultimately partnering with social service providers to create an outreach system to connect vulnerable tenants to assistance that can keep them housed.

For tenants who are faced with formal eviction proceedings, expanding access to legal counsel can make an enormous difference in the likelihood that they can stay in their homes. This can reduce some incidences of eviction and the resulting cycle of housing insecurity caused by it.



Support a Second Chance Tenancy program

Many households with a past eviction have difficulty finding and qualifying for quality rental housing. In the course of normal due diligence, prospective landlords conduct background checks, contact previous landlords, and/or check legal records to determine applicant's rental history. An eviction history is a common cause for a rental application to be denied, although some landlords have policies in place to work with tenants with a past eviction.

A Second Chance Tenancy Program can remove many of the barriers that prevent households from finding safe and stable housing. The program would provide tenant counseling to promote budgeting, credit improvement, and other factors that help prevent eviction, similar to what Housing and Credit Counseling, Inc., provides today. The lead organization would work with landlords that are willing to work with tenants with eviction history that complete the program.

Another element to this type of program is to advocate for state legislative change that allows District Court judges to seal or expunge an eviction record if a tenant meets certain requirements, such as completing a Second Chance Tenancy Program. For instance, Minnesota statutes allow an eviction to be expunged if a case is without basis, is in the interests of justice, and if there is no solid basis for public knowledge of an eviction case. [Minn. Stat. Ann. § 484-014 (2019)]



In eviction cases nationwide, an estimated 90 percent of landlords have legal representation, compared to only 10 percent of tenants. This unequal representation can lead to tenants not knowing and taking advantage of their rights and accessing resources that may help them stay in their home. Guaranteeing legal counsel for tenants in eviction cases is shown to significantly reduce the number of cases that result in a warrant for eviction.

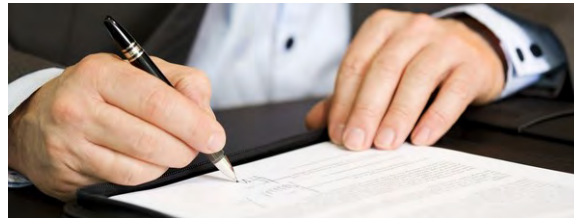
Tenant right to counsel laws correct this imbalance by ensuring the availability of legal counsel for all tenants facing an eviction. These policies are shown to be cost-effective, saving many times more than the costs associated with homelessness, education, and courts. In addition, a right to counsel offers several secondary benefits to defendants who are sued for eviction. Attorneys may be able to keep eviction filings off tenants' records, arrange for alternative housing, negotiate a reasonable timeframe for tenants to move out, or help tenants apply for rental assistance.

S4

**SUPPORT DEVELOPMENT
OF A DIVERSE MIX OF
HOUSING TYPES**

The projected housing demand and vacant land together create significant opportunities for infill development in some neighborhoods of Topeka. However, it will take coordination and support to ensure that this infill complements neighborhood character and creates housing opportunities for households with a range of incomes.

The city and its partners must play an active role in marketing Topeka's housing needs to developers active in nearby cities and provide them with incentives that will encourage the desired housing development throughout the city.



Market housing needs and development opportunities to new developers

The developer community in Topeka is relatively small and existing developers generally operate at their desired capacity. Also, some may not be interested in building “missing middle” typologies or doing infill development. Further, current development activity does not occur at a pace that will fill the platted lots in a timeframe comparable to other cities. For these reasons, it is prudent to recruit new builders/developers to the city.

This would involve identifying developers active in nearby cities, like Lawrence, Manhattan, and the Kansas City area, that specialize in the development types desired in Topeka. Then, partner with The Greater Topeka Chamber to reach out to the developers, let them know what opportunities exist, and clearly define what tools and/or incentives may be offered for development types that require them and meet city goals.



Support a diverse range of infill housing typologies and price points

The City of Topeka has done a generally good job in updating its zoning code and regulations as it works through its neighborhood plans to allow for a variety of infill housing types, where appropriate. It is important to continue to identify regulatory barriers to infill development as challenges arise. One element missing that would be helpful is to allow accessory dwelling units by right in certain districts and clearly stipulate under what conditions a property owner can build one.

This serves multiple goals—it can help stabilize neighborhoods with new investment, it can improve the financial position of homeowners by allowing for additional income, it can add accessible units to existing homes, and allow homeowner to expand the available living space on their property, supporting intergenerational families.

Mixed-income housing, which includes a variety of price points within a single development project, will also help to ensure that new development creates affordable housing opportunities. These projects; however, will need some level of public support or incentives to be feasible. The City can consider creating a gap financing source to encourage new infill typologies by lowering the risk for participating developers. Additionally, the financing could offer a bridge loan which could be used for predevelopment costs such as acquisition, design, and securing financing.

CASE STUDY MISSING MIDDLE HOUSING PILOT PROGRAM Minneapolis, MN



Support market-rate housing Downtown to bolster economic development

Development of housing Downtown supports talent attraction and retention, strengthens economic development, and enhances livability. Downtown housing will continue to be an important component of Topeka's housing stock. The Downtown Topeka Market Strategy estimated demand for up to 900 units over the next 10-15 years in Downtown, ranging from new construction multi-family to townhomes.

Most of the housing currently downtown is affordable and, while many of the units need reinvestment, it is important to balance the market by encouraging market-rate development. It is also important to be strategic with where to focus residential development so that it can benefit from anchors and amenities already present in Downtown.

Downtown housing is an important component of the overall housing picture and will serve to complement the broader market, while more directly supporting economic development goals.



Leverage ongoing or planned public investments

For diverse infill housing to be successfully implemented, it must be coordinated with public projects so that new housing is supported by new infrastructure— water, parks, sidewalks, sewer, etc. Continuing to align capital planning, budgeting, and community planning efforts will help ensure that housing development is feasible, marketable, and mitigates the risk of unexpected construction or permitting and approval costs.

Planned public projects should be mapped along with publicly-owned sites to identify potential catalyst projects that could leverage these already-planned investments. The City and its partners should use the Request for Proposals process for publicly-owned sites to attract development at strategic locations that leverage planned public projects. The City can define acceptable development alternatives and the available incentives for this development.



The City of Minneapolis' Missing Middle Housing Pilot Program aims to promote mid-sized (3-20 units) housing developments to encourage diversity and affordability of the city's housing stock. The pilot program is a partnership between the City of Minneapolis Community Planning and Economic Development department and the Minnesota Housing and Land Bank Twin Cities. The program provides funds to develop homes for rental or ownership on either city-owned or privately-owned land.

The City has allocated \$500,000 from its 2019 budget towards this program, and will give up to \$95,000 per housing unit to developers. The program will incentivize missing middle housing and make building and renting housing units more affordable and equitable for developers and tenants. The program began accepting program applications in the summer of 2019, with the first missing middle construction expected to begin in 2020.

S5

**EXPAND PRODUCTION OF
AFFORDABLE HOUSING TO
ENHANCE ECONOMIC
MOBILITY**

Market analysis and stakeholder conversations both underscore the importance of affordable housing. **Quality affordable housing—the largest segment of future housing demand in the City—typically requires some form of policy support, incentive, or subsidy to develop. While much of the City’s existing housing stock is low-cost relative to other cities, there are not enough quality options to meet the demand.**

Strategies to expand production are needed to compliment programs aimed at improving the existing stock.



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

A key challenge in Topeka, communicated by various groups, is the lack of transportation options to major employers. Many workers without access to a car spend hours on multiple buses traveling to remote work places; some are unable to get to these jobs at all. Low-income people who do have access to cars spend a large percentage of their household resources on transportation at the expense of other necessities.

One way to address this issue is to promote and facilitate workforce and affordable housing development/renovation within walking or biking distance to employers. Identifying potential development partners and funding sources, including KHRC programs (4% or 9% LIHTCs, Trust Fund, etc.), AHTF, HOME funds, NRP, etc. can help make such projects feasible. Additionally, use of software such as GIS can help identify buildable sites, ascertain ownership, and assessed values to approximate acquisition costs.

The City can also identify existing multi-family developments which, with the help of modest renovations, could support affordable or workforce housing.



Coordinate with employers to provide alternative transportation options

Employers can play a big role in facilitating improved access to work for their employees. Identifying potential funding sources and support grant applications can provide the necessary resources to offer alternative modes of transportation for commuters and eliminate accessibility barriers. Topeka Transit can be a potential partner in rolling out such an initiative.

CASE STUDY

FAMILY SCHOLAR HOUSE

Louisville, KY



Coordinate with employers, institutions to provide support services

Stable housing is a key component contributing to economic mobility. It is known that many households, including low-moderate income and single-parent households often have to choose between maintaining stable housing while also pursuing their education or career goals due to a lack of support services. Access to services like child care, mentoring, tutoring, educational, and similar programs, can free up individuals to take steps to move up the “economic ladder”

Programs such as the Family Scholar House, Louisville, KY serve families in need with a comprehensive, holistic continuum of care that meets them where they are and empowers them toward their educational, career and family goals. Such a model could be implemented in Topeka in coordination with Washburn University, key employers, and experienced developer such as Cornerstone of Topeka or Pioneer Group.



Leverage existing programs, such as the 4% LIHTCs, to produce more affordable housing

Increasing and preserving the supply of quality affordable housing through the use of incentives and subsidies is the most direct way to impact the availability of affordable housing. Helping community development organizations and other development entities identify quality projects and successfully compete for Low-Income Housing Tax Credit (LIHTC) allocations is a key element of this strategy.

LIHTC is a powerful tool for providing quality affordable housing, and the more projects in the city receive allocations, the better-positioned the community will be to meet the affordable housing need.

Another option is to identify properties, such as Class C apartments that are in need of renovation and recruit developers to use 4% LIHTCs to upgrade the properties and convert at least a portion of them to affordable housing.



Family Scholar House is a nonprofit organization based in Louisville, Kentucky with a mission to end the cycle of poverty and transform the community by empowering families and youth to succeed in education and achieve lifelong self-sufficiency. Family Scholar House provides a comprehensive continuum of services for single parents, their children, and foster alumni that includes academic coaching, family counseling, affordable supportive housing, career and workforce development, childcare and connection to basic and emergency needs. Participants meet regularly with family services advocates for guidance, counseling, goal-setting and coaching. The development of life skills complements formal education so that families may attain life-long self-sufficiency.

Family Scholar House participants in need of stable housing may apply for the residential program, which includes housing on one of the four Family Scholar Houses campuses. In accordance with HUD guidelines, participants are responsible for their portion of their rent based on 30% of their gross annual income and their own utilities.

S6

EXPAND ORGANIZATIONAL
AND FINANCIAL CAPACITY

The City and its partners have several tools and resources at their disposal to address the spectrum of housing needs throughout Topeka. Some are actively used and are very successful. Others are less successful or remain untested in Topeka due to a lack of capacity to carry them out. Making strategic use of funds, for existing and new programs, will be critical.

To compliment any efforts to expand existing funding and programs, the City should strategically support broadening and strengthening the organizational capacity of its partners to fully meet the City's housing needs. This is true for every type of demand, from affordable and workforce housing all the way to upscale and luxury housing.



Target incentives to support quality housing development

The City of Topeka took an important first step toward supplementing existing affordable housing development tools in 2019 when it pass an ordinance creating the Affordable Housing Trust Fund (Ordinance #20194). The structure is in place—it is now important to fund the Affordable Housing Trust Fund (AHTF), pooling philanthropic capital and a dedicated source of public revenue.

AHTFs 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. To maximize the impact of the AHTF in Topeka, it is recommended that the preservation of existing affordable housing and renovation of existing housing stock are prioritized to stretch funds further. New construction should be supported as well, as a supplement to other tools and programs, such as LIHTCs, that fill most of the feasibility gap. The AHTF would then be used to fill any remaining gap to make needed projects viable.

AHTFs can be funded by a number of sources and can align existing programs with new ones. Cities often seed the fund, create a target fund amount, and leverage this seed to ask partners to match those funds to reach the target amount. Additional detail regarding next steps are included in Chapter 6: Prioritization & Implementation.

The City has, in many ways, “set the table” to allow for quality housing development, whether it be infill, redevelopment, or new subdivision development. It revised the zoning code in core areas to allow appropriate housing types and created the NRP to incentivize development in targeted areas. Yet, these measures have yet to stimulate much development, primarily because the economics of infill development in particular are challenging. Nonetheless, it is important to maintain these efforts so that potential developers are aware of what is in place as they become more familiar with opportunities in the city.

CASE STUDY

AFFORDABLE HOUSING TRUST FUND

St. Louis, MO



Market Topeka, its housing options and development opportunities

Many stakeholders interviewed during the course of this study indicated that Topeka has a negative perception from “outsiders”. One way to counter this, is to market many of Topeka’s assets—its relatively low cost of living, housing options, neighborhoods, Downtown revitalization, NOTO, The Topeka Zoo, nearby recreational opportunities, and others—as part of GoTopeka’s ongoing campaigns. This would work in concert with marketing development opportunities.



Affordable housing trust funds (AHTF) are funds established by city, county or state governments to support the preservation and production of affordable housing and increase opportunities for families and individuals to access decent affordable homes.

Such trust funds are powerful tools that are highly flexible and can be used to fund a mix of programs tailored to specific local contexts. Trust funds allow local governments to amplify the impact of their local dollars, often leveraging competitive state and federal sources, as well as private and philanthropic funds.

The City of St. Louis’ Affordable Housing Trust Fund, administered by the city’s Affordable Housing Commission, supports the housing needs of St. Louis’ most vulnerable residents. All AHTF funds benefit families and individuals with incomes at or below 80 percent of the Area Median Income (AMI) and 40 percent of funds awarded benefit those with extreme needs earning 20 percent or less of the AMI.

Every \$1 the AHTF spends on home construction and major rehab is matched by \$17 in public and private funds. Most AHTF loans to developers and homebuyers are repayable, which allows these resources to be reinvested in the community over time. Since 2003, the St. Louis AHTF has funded 1,583 rental units and 184 homes for sale.



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

Investing in Topeka's ability for strategic land control can advance affordability, reduce vacancy, and improve housing conditions. Establishing a land bank, as discussed in Strategy 2, is one of the ways to advance this ability and clean title of vacant properties so they can be returned to active use.

Community Development Corporations (CDCs) can be another mechanism to expand strategic land acquisition. CDCs are involved in revitalizing and supporting community needs, including development of affordable housing. The City should consider supporting the development of a CDC that will expand capacity to redevelop vacant and underutilized property in support of housing goals.

CASE STUDY COMMUNITY HOUSING OF WYANDOTTE COUNTY (CHWC)



Leverage city resources to create a more robust community development ecosystem

The City of Topeka has many community-based efforts underway, and a number of partners employing best practices that should be celebrated. In fact, the efforts of some organizations like Habitat for Humanity of Topeka and Cornerstone of Topeka, include important community development components. However, there are no Community Development Corporations (CDCs) in Topeka, serving specific neighborhoods or geographies with a holistic approach and long-term mission.

CDCs are nonprofit, community-based organizations focused on revitalizing the areas in which they are located, typically low-income, underserved neighborhoods that have experienced significant disinvestment. While they are most commonly celebrated for developing affordable housing, they are usually involved in a range of initiatives critical to community health such as economic development, sanitation, streetscaping, and neighborhood planning projects, and oftentimes even provide education and social services to neighborhood residents.

The City can participate in this effort by directly supporting capacity-building, which includes identifying leaders with a business and/or development background and strong interest in community improvement. Then, the City should consider using existing entitlement

funds (CDBG) to partner with a national organization like Local Initiatives Support Coalition (LISC) or NeighborWorks to providing training and ongoing support. Additional discussion about next steps is included in Chapter 6: Prioritization & Implementation.

Once a pilot CDC is established, another initiative is to create a housing-focused Community Development Finance Institution (CDFI), which typically operates as part of or in cooperation with an AHTF, and provides more flexible financing options for first-time homebuyers and neighborhood-focused development projects.



COMMUNITY ALLEY RENOVATION, CHWC

Community Housing of Wyandotte County's (CHWC) mission is to stabilize, revitalize, and reinvest in Kansas City, Kansas neighborhoods through improved housing and other quality of life initiatives. CHWC uses three programmatic strategies—Housing & Real Estate Development, Homeownership and Financial Capacity Promotion, and Community Building & Engagement—to form healthy and resilient neighborhoods

CHWC builds market rate and affordable homes for sale and for rent, and operates a construction company, real estate brokerage, arts studio, community design center, and urban teaching farm. Since 2002, CHWC has built, renovated or repaired over 500 homes and generated over \$90,000,000 of capital investment in Wyandotte County neighborhoods.

In 2018, CHWC created 75 new homeowners and 69 rental homes (owned/ managed). They received approximately \$12.5M in private, philanthropic, and public investment and \$300k in grants from NeighborWorks America.



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