

Wednesday, April 27, 2016 - 3:00 p.m.  
City Council Chambers, 125 E. Avenue B, Hutchinson, Kansas

---

1. CALL MEETING TO ORDER

_____ G. Binns	_____ M. Clark	_____ K. Bleything
_____ A. Finlay (Vice Chair)	_____ L. McConnaughy	_____ S. Cooley
_____ R. Greever	_____ S. Poltera (Chair)	_____ S. Kiblinger
_____ L. Gleason	_____ A. Patterson	

Ex-Officio Members:

_____ D. Rich	_____ D. Hart	_____ J. Scott (interim)
---------------	---------------	--------------------------

---

2. APPROVAL OF MINUTES – March 23, 2016

3. ANNOUNCEMENTS

4. UPDATES

a. Rental Registration

*As of April 19, 2016, 5,389 rental units have been registered. No movement on House Bill 2665.*

b. Senate Bill 338 – Abandoned Houses Bill

*On April 11, 2016, Governor Brownback vetoed Senate Bill 338 which would have given Cities and Non-Profits the opportunity to revitalize vacant and tax delinquent properties. (attached)*

5. NEW BUSINESS

a. Rental Inspections – Fred Salisbury & Trent Maxwell

b. Transitioning CIC duties

c. Hutchinson Healthy Neighborhood Initiative Funding Allocation (attached)

d. Ashton Estates RHID – Resolution #1 (attached)

6. PUBLICATIONS

a. Kansas City, MO Land Bank Article (attached)

7. OTHER

a. The next Housing Commission meeting is scheduled for Wednesday, May 25, 2016; 3:00 p.m.

8. ADJOURN

Staff Contacts:	Jana McCarron	620-694-2681	Casey Jones	620-694-2667
	Amy Denker	620-694-2638	Stephanie Stewart	620-694-2617
	Charlene Mosier	620-694-2639		

# Minutes

Wednesday, March 23, 2016 - 3:00 p.m.  
City Council Chambers, 125 E. Avenue B

# Housing Commission

City of Hutchinson, Kansas

---

## 1) CALL TO ORDER, ROLL CALL

The following members were present: Greg Binns, Kevin Bleything, Richard Greever, Scott Cooley, Shelley Kiblinger, Dan Rich, John Scott, and Anthony Finlay. Sue Poltera, Aubrey Patterson, Lisa Gleason, Luke McConnaughy, Mark Clark, and Dianna Hart were absent. Steve Dechant, City Councilmember; and Mark Eaton, Land Bank, were also in attendance. Staff in attendance were Jana McCarron, Director of Planning and Development; Amy Denker, Housing Program Coordinator; and Charlene Mosier, Planning Technician.

## 2) APPROVAL OF MINUTES

The minutes of the February 24, 2016 meeting were approved on a motion by Binns, seconded by Greever, passed unanimously.

## 3) ANNOUNCEMENTS

McCarron said the Planning Department is continuing to recruit for an associate planner position.

## 4) UPDATES

### 4a. Rental Registration and Inspection Program

McCarron said 3,449 properties have been registered so far in the Rental Registration and Inspection Program. The deadline to register is March 31, 2016.

HB 2665 was passed by the House Committee on Commerce, Labor and Economic Development that would limit cities and counties from requiring interior inspections without consent or a warrant. Additional revisions could still be made.

Finlay said based on the outcome of HB 2665, the Housing Commission can consider other options to improve rental properties. Greever suggested educating tenants and using arbitration. McCarron said Wyandotte County has had a rental program for twenty years and it is working for them. They, too, would be impacted by the bill.

The Housing Commission may want to have a special meeting to make recommendations to the City Council if the bill is passed before our next regular meeting.

### 4b. Interfaith Rehabilitation Grant

McCarron said City Council approved the \$50,000 grant to Interfaith Housing Services, Inc. to rehabilitate four homes south of 11<sup>th</sup> Avenue and they are proceeding with rehabilitation of houses in that area.

Interfaith Housing recently completed renovation of the home at 126 W. 11<sup>th</sup> Avenue. This project was not funded by the grant. Photos of this home were included in the

packet. This home is already under contract and the buyer met the guidelines of Interfaith Housing Services.

John Scott, Interfaith Housing Services, informed the Housing Commission that due to their financial situation, he had to discontinue the Director of Operations position held by Ron Fisher. He said this was a tough decision as Ron was such an asset to the organization and community. Interfaith Housing does not plan to cut any programs and will spread the work among existing staff. John will either be the ex-officio Housing Commission member or he will appoint someone from his agency.

## **5) NEW BUSINESS**

### **5a. 2017 DRAFT Budget Request for Housing Initiatives**

McCarron said the City Council and City Manager had a visioning session to determine seven priority areas for the future. Housing is one of the priorities and this includes the areas of rehabilitation, new construction and preservation.

For rehabilitation, the City has the following existing programs:

- Brush Up Hutch Paint Program
- Neighborhood Revitalization Plan
- Avenue A CDBG
- REPAIR
- 2016 Residential Rehabilitation Grant
- Hutchinson Healthy Neighborhoods Initiative Matching Grants

McCarron said that staff analyzed the needs and current gaps in housing rehabilitation. The following programs are recommended to fill gaps that were found.

#### **Zero Interest Rate Loan Subsidy**

One of the options recommended by Staff is the 2017 Budget Request for Housing – Rehabilitation to make dollars stretch farther. The City is considering a Zero Interest Rate Loan Subsidy. There are many older, large homes that need considerable rehabilitation for the entire home and residents who are capable of obtaining traditional loans may lack confidence in their neighborhood to make an investment risk they may not be able to recoup. The Zero Interest Rate Loan Subsidy would involve partnering with a local lender to provide home improvement loans in two feature areas: The Graber neighborhood and the Houston Whiteside National Historic District. The City would pay the interest only on the loans with a maximum subsidy of \$2,500. No income qualifications would be required of the recipient and the subsidy would be available for owner-occupied and investment properties. The increase in private investment would result in stronger markets and higher property values. The proposed amount requested is \$25,000. The commission discussed the proposal and recommended raising the amount to \$30,000, with an individual maximum of \$3,000.

#### **Feature Neighborhood Direct Grants**

The amount requested for the Feature Neighborhood Direct Grants is \$40,000. This would be for lower-income neighborhoods where borrowing capacity may not be as strong and the direct grants are needed to improve market conditions. The grants would be applied toward making exterior improvements that enhance marketability of neighborhoods, including porch repair, window replacement, siding and painting. This

would be for the West Avenue A and Houston Whiteside National Historic District only. No income restriction or residency requirements would apply and the funds would be used for supplies and materials. Interfaith Housing Services would be the grant recipient with the Project Coordinator position organizing volunteer labor. The Hutchinson Community Foundation would provide support for the Project Coordinator. The maximum grant amount would be \$4,000 per unit.

(Cooley arrived 3:25 p.m.)

Scott said Interfaith Housing has done up to 37 houses in a year with the help of Americorp volunteers.

**Motion by Binns, seconded by Cooley to support the 2017 Housing Rehabilitation Budget Request for the Zero Interest Rate Loan Subsidy in the amount of \$30,000 with an individual maximum of \$3,000 and \$40,000 for the Feature Neighborhood Direct Grants for a total request of \$70,000 passed unanimously by acclamation.**

For new construction, the City has the following programs to incentivize construction of new housing:

- Rural Housing Incentive District (RHID)
- Infill Development Incentive
- Special Assessment Districts
- Moderate Income Housing (MIH) Grant

There is a gap in promoting homeownership. Staff proposes the Down Payment Match Incentive to fill that need.

#### **Down Payment Match Incentive**

McCarron reviewed the 2017 Budget Request for Housing – Construction. The amount requested is \$35,000 for a Down Payment Match Incentive program. When neighborhoods decline, home ownership levels decrease and the percentage of investment properties increases. These tend to be in poorer condition than properties that are owner occupied. Healthy Neighborhoods consultants have stressed the importance of treating neighborhoods as markets and attracting home ownership into neighborhoods to strengthen the market. The Down Payment Match Incentive involves providing a down payment match for current renters to move into the homeownership market in feature neighborhoods. The maximum down payment match per loan would be \$2,500 and the homebuyer must pay a minimum of 60% match. There are no income restrictions. This would be open to current renters in Reno County for the purchase of homes in Graber, West Avenue A and Houston Whiteside National Historic District neighborhoods.

**Motion by Binns, seconded by Bleything to support the 2017 Budget Request for Housing - New Construction for \$35,000 for Down Payment Match Incentive passed unanimously by acclamation.**

Dechant asked about gap financing and wondered if there was discussion about developers constructing infill homes. In most cases the cost of a new home in a lower income area is going to be a loss to the builder and even if the gap covers over half of the loss, it is still a loss. Bleything said there are creative ways to make new development work; for example, setting the house a different direction and constructing

a street between the new and existing homes. McCarron said this requires relaxing zoning requirements for infill homes.

Housing Commissioners expressed interest in requesting additional funds for infill gap financing. The latest estimate was a single infill project has a gap in financing of \$20,000. Two to three projects may be completed in one year. A request for \$40,000 - \$60,000 to fund infill gap financing for residential properties was added to the proposal.

**Motion by Binns, seconded by Bleything to support the 2017 Budget Request for Housing and request \$40,000 - \$60,000 to fund infill gap financing for residential properties, passed unanimously by acclamation.**

**6) OTHER**

6a. The next Housing Commission meeting is scheduled for Wednesday, April 27, 2016 at 3:00 p.m.

6b. The Housing Commission toured the Interfaith Housing Services Avenue G Project after the meeting.

**7) ADJOURN**

The meeting adjourned at 4:10 p.m.

Respectfully Submitted,  
Charlene Mosier

Capitol Building  
Room 241-South  
300 SW 10th Street  
Topeka, KS 66612



Phone: (785) 296-3232  
Fax: (785) 368-8788  
governor@ks.gov

Sam Brownback, Governor

**MESSAGE FROM THE GOVERNOR  
REGARDING Senate Bill 338**

The right to private property serves as a central pillar of the American constitutional tradition. It has long been considered essential to our basic understanding of civil and political rights. Property rights serve as a foundation to our most basic personal liberties. One of government's primary purposes is to protect the property rights of individuals.

The purpose of Senate Bill 338, to help create safer communities, is laudable. However, in this noble attempt, the statute as written takes a step too far. The broad definition of blighted or abandoned property would grant a nearly unrestrained power to municipalities to craft zoning laws and codes that could unjustly deprive citizens of their property rights. The process of granting private organizations the ability to petition the courts for temporary and then permanent ownership of the property of another is rife with potential problems.

Throughout the country, we have seen serious abuse where government has broadened the scope of eminent domain, especially when private development is involved. The use of eminent domain for private economic development should be limited in use, not expanded. Senate Bill 338 opens the door for serious abuse in Kansas. Governmental authority to take property from one private citizen and give it to another private citizen should be limited, but this bill would have the effect of expanding such authority without adequate safeguards.

Kansans from across the political spectrum contacted me to discuss their concerns that this bill will disparately impact low income and minority neighborhoods. The potential for abuse of this new statutory process cannot be ignored. Government should protect property rights and ensure that the less advantaged are not denied the liberty to which every citizen is entitled.

There is a need to address the ability of municipalities and local communities to effectively maintain neighborhoods for public safety. However, Senate Bill 338 does much more. Though I am vetoing this bill, I would welcome legislation that empowers local communities to respond to blight and abandoned property that does not open the door to abuse of the fundamental rights of free people.

Dated: April 11, 2016

Sam Brownback  
Governor of Kansas



**DATE:** April 20, 2016

**SUBMITTED BY:** Amy Denker  
Housing Program Coordinator

**THROUGH:** Jana McCarron, AICP  
Director of Planning and Development

---

**REQUEST: 2016 Neighborhood Initiative Funding  
Consideration of the W Avenue A Beautification Project**

**HOUSING COMMISSION ACTION:**

Motion to (approve/modify and approve/deny) the recommendation of City Staff to allocate \$3,000 of the 2016 Neighborhood Initiative Funding for the W Avenue A Front Yard Beautification Project.

**BACKGROUND:**

As part of the 2016 budget, the Housing & Neighborhood Development Division requested funding to support the Hutchinson Healthy Neighborhood Initiative. The funding was earmarked for development projects within the two feature neighborhoods. Two categories were included in the budget: matching grants and miscellaneous. During the resident engagement process in the W Avenue A neighborhood, a project has been identified for neighborhood funding as follows.

**PROPOSAL:**

The W Avenue A Beautification Committee has developed a project to support property maintenance in their neighborhood. The Committee proposes hosting a Front Yard Beautification event for the neighborhood, Exhibit A, with the following requirements:

- Limited to 30 homes, first come, first served basis
- Design Review Committee consisting of 1 neighborhood resident, 1 city council member, and 1 neighborhood grant steering committee will consider the proposals
- A Before picture and application form must be submitted to the Design Review Committee for eligibility
- Design Review Committee will consider and approve the submittals and award prizes
- Participants must make considerable updates or repairs to their front yard or front porch
- Practical assistance will be provided to aid the participants
- Participants must submit an After photo and attend an Avenue A Neighborhood Meeting in order to receive a prize
- The prize will be a \$100 gift certificate/card

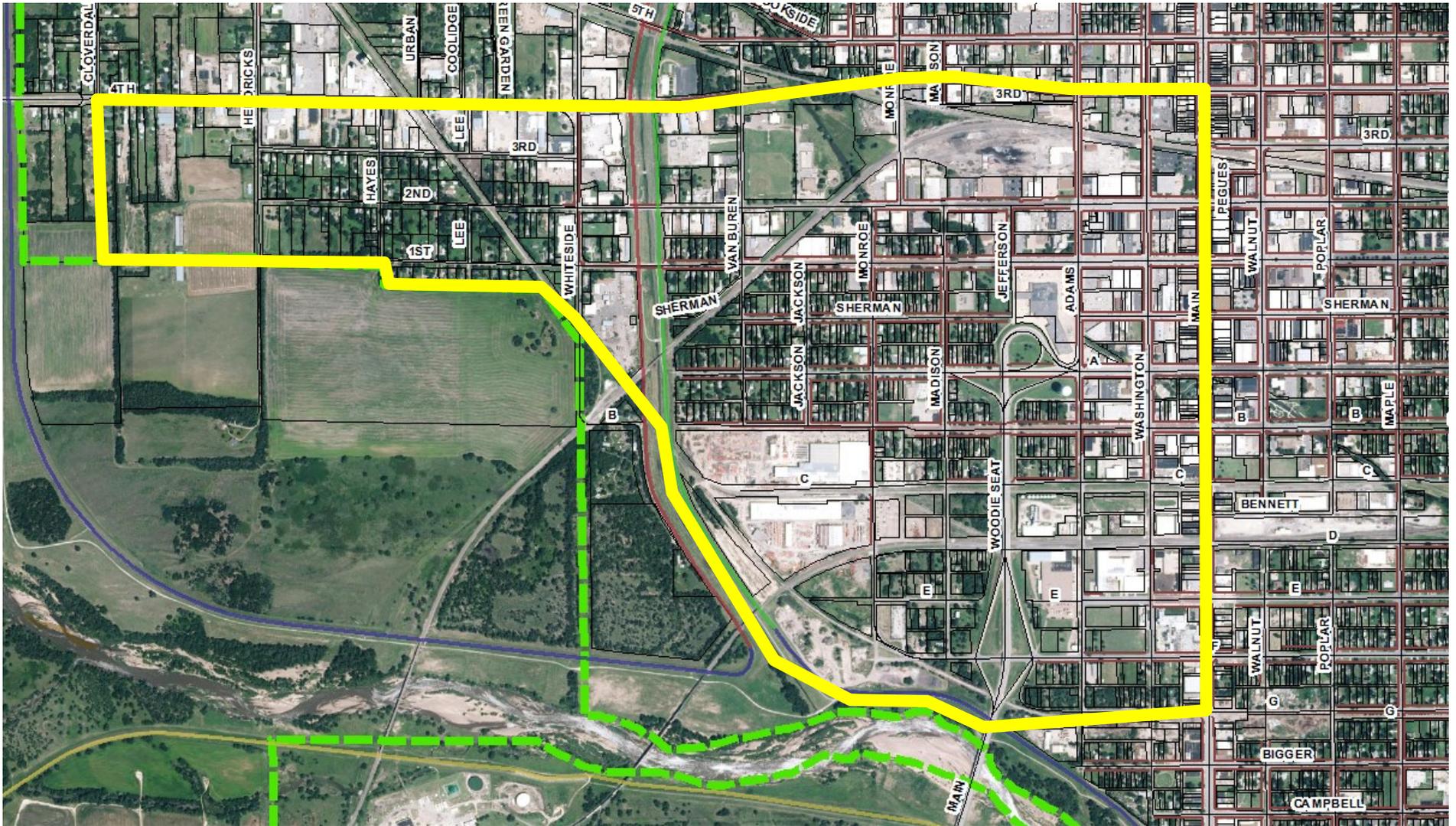
**STAFF'S RECOMMENDATION:**

Staff recommends approval of funding for the W Avenue A Front Yard Beautification Project. Future funding may hinge upon performing property maintenance review of the neighborhood.

**EXHIBITS:**

A – W Avenue A Neighborhood Boundaries

# EXHIBIT A: W AVENUE A NEIGHBORHOOD BOUNDARY





**DATE:** April 20, 2016

**SUBMITTED BY:** Amy Denker  
Housing Program Coordinator

**THROUGH:** Jana McCarron, AICP  
Director of Planning and Development

---

**REQUEST: Case #16-RHID-02**  
**Ashton Estates RHID Consideration – Recommendation for Resolution #1**

**HOUSING COMMISSION ACTION:**

Recommend (approval/denial) to City Council for a resolution establishing the eligibility of Phase II of Ashton Estates for Rural Housing Incentive District infrastructure financing.

**BACKGROUND:**

In November 2015, City Council adopted a resolution allowing 5 properties in Hutchinson the ability to create Rural Housing Incentive Districts (RHID). Prior to the resolution, the City notified property owners of large tracts of land where residential developments could be established about participation in the RHID process. At that time, the owner of Ashton Estates Phase II did not request to be included in the original resolution. Therefore, a new resolution, Exhibit A, must be adopted by City Council before the applicant may proceed with RHID financing for Phase II of Ashton Estates.

On March 28, 2016, the Planning Department received an RHID development application from Jim Strawn for the second phase of the Ashton Estates subdivision (Exhibit B). The lots shown have not been developed and no special assessments have been attached to the properties. The applicant is proposing building single family and possibly duplex housing on the lots, both of which would be permitted in the current zoning district. No information on potential housing prices was included in the application.

**NEXT STEPS:**

1. City Council consideration of resolution on May 3, 2016
2. Pending City Council approval, the resolution will be published in the local newspaper.
3. Resolution, Housing Needs Analysis and copy of publication submitted to the State for consideration. The State will have 30-45 days to review and approve or deny the request.
4. Should the State approve the resolution and additional development information be provided, the applicant will be eligible to proceed with resolution #2, setting a date for a public meeting for consideration of the district.

**STAFF'S RECOMMENDATION:**

Staff recommends approval of the recommendation to City Council for consideration of Resolution #1 for an RHID at Ashton Estates, Phase II.

**EXHIBITS:**

- A – Draft Resolution #1 – Ashton Estates Phase II RHID
- B – Proposed RHID Boundaries

## RESOLUTION NO. 2016 R \_\_\_\_\_

**A RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS AS TO THE NEED FOR HOUSING WITHIN THE CITY OF HUTCHINSON, KANSAS AND SETTING FORTH THE LEGAL DESCRIPTION OF REAL PROPERTY PROPOSED TO BE DESIGNATED AS A RURAL HOUSING INCENTIVE DISTRICT WITHIN THE CITY.**

WHEREAS, K.S.A. 12-5241 et seq. (the "Act") authorizes any city incorporated in accordance with the laws of the State of Kansas (the "State") with a population of less than 60,000 located in a county with a population of less than 80,000, to designate rural housing incentive districts within such city; and

WHEREAS, prior to such designation the governing body of such city shall conduct a housing needs analysis to determine what, if any, housing needs exist within its community; and

WHEREAS, after conducting such analysis, the governing body of such city may adopt a resolution making certain findings regarding the establishment of a rural housing incentive district and providing the legal description of property to be contained therein; and

WHEREAS, after publishing such resolution the governing body of such city shall send a copy thereof to the Secretary of Commerce of the State (the "Secretary") requesting that the Secretary agree with the finding contained in such resolution; and

WHEREAS, if the Secretary agrees with such findings, such city may proceed with the establishment of a rural housing incentive district within such city and adopt a plan for the development or redevelopment of housing and public facilities in the proposed district; and

WHEREAS, the City of Hutchinson, Kansas (the "City") has an estimated population of 41,889, is located in Reno County, Kansas, which has an estimated population of 64,180; and therefore constitutes a City as said term is defined in the Act; and

WHEREAS, the Governing body of the City has performed a Housing Needs Analysis dated October 28, 2015 (the "Needs Analysis"), a copy of which is on file in the office of the City Clerk; and

WHEREAS, based on the Needs Analysis, the Governing Body of the City proposes to commence proceedings necessary to create a Rural Housing Incentive District, in accordance with the provisions of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HUTCHINSON, KANSAS, AS FOLLOWS:

SECTION 1. That Governing Body hereby adopts and incorporates by this reference as part of this Resolution the Needs Analysis, a copy of which is on file in the Office of the City Clerk, and based on a review of said Needs Analysis makes the following findings and determinations:

SECTION 2. The Governing Body hereby finds and determines that there is a shortage of quality housing of various price ranges in the City despite the best efforts of public and private housing developers.

SECTION 3. The Governing Body hereby finds and determines that the shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City.

SECTION 4. The Governing Body hereby finds and determines that the shortage of quality housing is a substantial deterrent to the future economic growth and development of the City.

SECTION 5. The Governing Body hereby finds and determines that the future economic well-being of the City depends on the Governing Body providing additional incentives for the construction or renovation of quality housing in the City.

SECTION 6. Based on the findings and determinations contained in Sections 2 through 5 of this Resolution, the Governing Body proposes to establish a Rural Housing Incentive District pursuant to the Act, within boundaries of the real estate legally described in *Exhibit A-1* attached hereto, and shown on the maps depicting the existing parcels of land attached hereto as *Exhibit B-1* (the "District").

SECTION 7. The City Clerk is hereby directed to publish this Resolution one time in the official City newspaper, and to send a certified copy of this Resolution, along with the Housing Needs Analysis, to the Secretary for the Secretary's review and approval.

SECTION 8. This Resolution shall take effect and be in force after its passage and publication once in the official City newspaper.

ADOPTED this 3<sup>rd</sup> day of May, 2016.

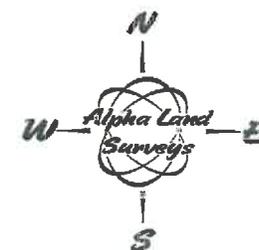
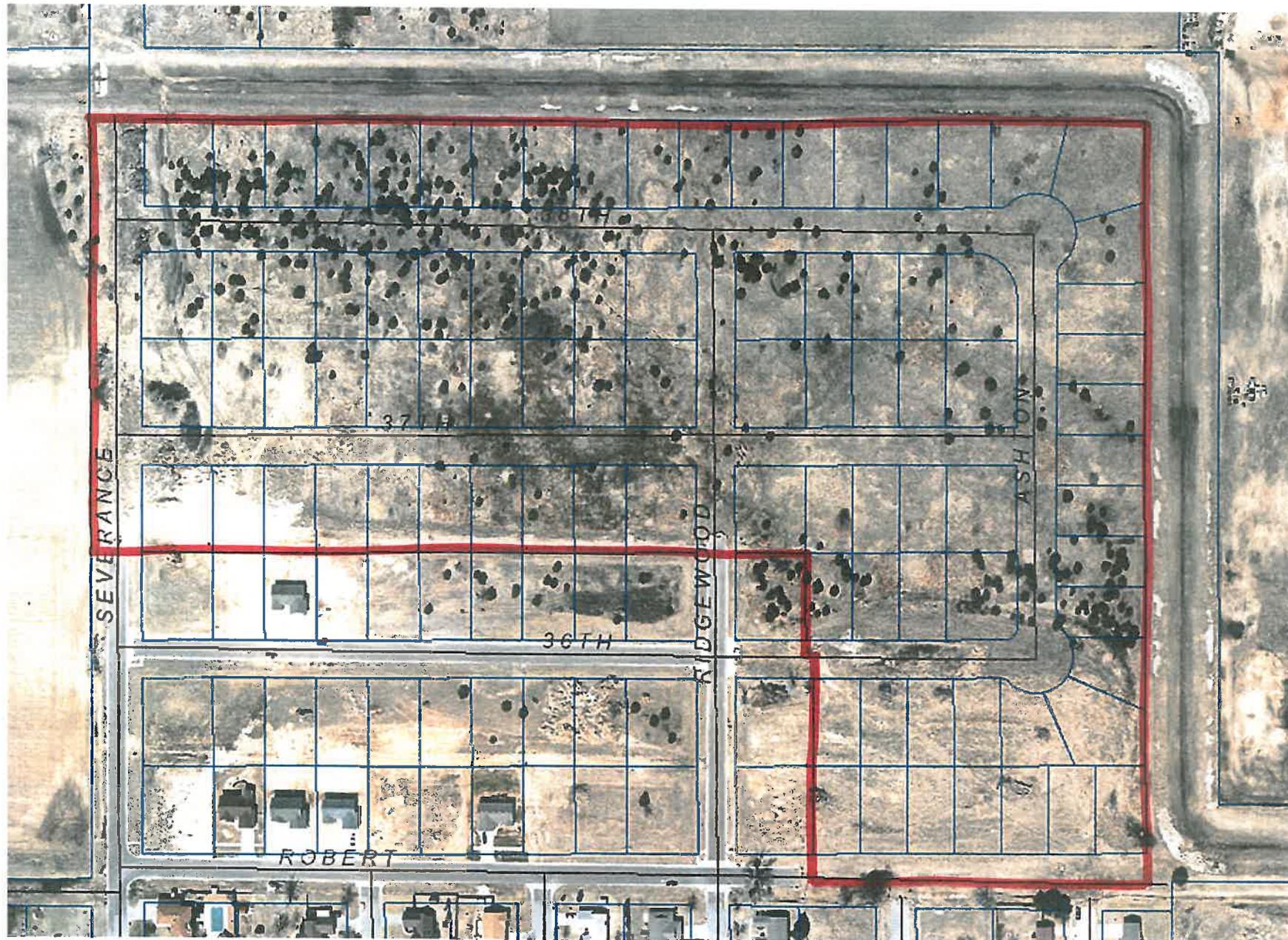
---

Jon Daveline, Mayor

ATTEST:

---

Karen Weltmer, City Clerk



S

A4

PEOPLE | PAGE A6

Famed author Jim Harrison dead at 78.

NATION | PAGE A8

Bison coming "home" to Montana Indian reservation.

# KCMO selling homes for \$1

### City, bank offering 130 derelict structures in plan to rid eyesores

By JIM SUHR  
Associated Press



Associated Press

**A boarded-up home is shown Feb. 14, 2012, in Vineyard neighborhood of Kansas City, Mo. The city and the Land Bank of Kansas City have offered more than a hundred derelict, generally unlivable structures for sale for \$1 each to those willing to make them livable again within a year.**

KANSAS CITY, Mo. — Drawn to the idea of buying a house for just a buck, Dorian Blydenburgh paced through the century-old digs in south Kansas City and didn't mind tree limbs on the living room floor, holes in the ceiling and a funky mold smell.

"This is one everyone is gonna want, and there's gonna be a fight for this," said Blydenburgh, 56, a contractor looking at the three-bedroom, 1,500-square-foot house at 4124 Chestnut Ave. as a make-over prospect for a friend, who later applied to buy it. "Some of these places you need a bulldozer to fix, but this is doable. For a dollar, it looks like a go."

That's what Kansas City, Mo. officials were hoping to hear. The city and the Land Bank of Kansas City have offered 130 derelict, generally unlivable structures for sale for \$1 each to those willing to make them livable again within a year. The buyer's reward is an eventual \$8,500 rebate — the amount it would have cost the city to flatten the houses.

Since launching the program in February, the Land Bank has taken in about 60 applications and fielded roughly 4,000 inquiries. Applications are due Friday, and a Land Bank panel will decide who gets the houses.

"We thought that of the

houses we had, we thought probably half could not be saved. I think that's gonna be the case, said Ted Anderson, executive director of the local Land Bank, which works with the city and helps market vacant, abandoned properties. But hopefully, "at the end of the rehab we'll have a well-built home from the 1910s or 1920s in a neighborhood with some character."

It's part of a larger Kansas City effort to deal with dangerous, abandoned houses that have attracted squatters and crime. The city plans to spend \$10 million over two years to tear down up to 800 houses, but the \$1 home program could save some of those targeted.

But it's buyer beware. Applicants must undergo a background check — applicants who are registered sex offenders or have

drug-dealing or prostitution convictions are disqualified — and prove through bank statements or unused credit card limits they have at least \$8,500 to devote to the rehab.

Ultimately, the program's backers warn, rehabbing the properties might cost tens of thousands of dollars, perhaps involving installing or repairing roofs, electrical systems, plumbing, heating and air conditioning or foundations. And that's beyond the cost of tackling troubling unknowns such as lead or asbestos.

"Most of those buildings on the dangerous list are going to have to come down. We know that," Mayor Sly James said. "But there are other homes on that low level that could be salvaged, and we want people to know they are out there."

Other cities have tried similar approaches. In Detroit,

*"Some of these places you need a bulldozer to fix, but this is doable. For a dollar, it looks like a go."*

DORIAN BLYDENBURGH  
contractor

with the help of tens of millions of dollars from taxpayers, the city has torn down about 7,100 of an estimated 30,000 to 40,000 vacant houses since May 2014, with the mayor planning to have an additional 15,000 homes gone by 2018. More than 1,300 other homes have been auctioned, Detroit Land Bank Authority spokesman Craig Fahle said. Buyers of those properties, many fetching just the opening bid of \$1,000, are required to bring the house up to code and have it occupied within six months — nine months if it's in a historic district.

Chicago and Milwaukee have unloaded vacant lots. Chicago has sold more than 400 vacant parcels since 2014. In Milwaukee, homeowners next to a vacant lot can buy it for \$1.

David Reiss, a Brooklyn Law School professor who focuses on real estate issues and community development, urges would-be buyers to understand the expenses beyond the price tag, including property taxes, upkeep and liability insurance.

"A house for a dollar may be an albatross around your neck," he said. "I would look at it case by case. If it sounds too good, it probably is."