

**NEIGHBORHOOD AND COMMUNITY DEVELOPMENT
STANDING COMMITTEE MINUTES
Monday, July 6, 2015**

The meeting of the Neighborhood and Community Development Standing Committee was held on Monday, July 6, 2015, at 5:00 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner McKiernan, Chairman; Commissioners Murguia, Townsend, Walters, Bynum and Johnson. Commissioner Walker was absent. The following officials were also in attendance: Gordon Criswell, Assistant County Administrator; Joe Connor, Assistant County Administrator; Melissa Mundt, Assistant County Administrator; Jody Boeding, Chief Legal Counsel; Colin Welsh, Legal; Wilba Miller, Community Development Director; Debby Graber, NRC/Rental Licensing; and Chris Slaughter, Land Bank Manager.

Chairman McKiernan called the meeting to order. Roll call was taken and members were present as shown above.

Approval of standing committee minutes from April 27, 2015. **On motion of Commissioner Murguia, seconded by Commissioner Townsend, the minutes were approved.** Motion carried unanimously.

Committee Agenda:

Item No. 1 – 150134...ORDINANCE: REMOVE LANDLORD TRAINING REQUIREMENT

Synopsis: An ordinance relating to residential rental dwellings and the regulating of the issuance of rental dwelling licenses; amending Section 19-237, submitted by Debby Graber, NRC/Rental Licensing.

Colin Welsh, Legal, said Debby asked me to introduce this. We enacted the Landlord Training Program last January, I believe it was. After enacting it with a suspended compliance date, we started looking at it a little bit more and the idea really seemed to go that perhaps there were other ways to use our resources that might be more effective in addressing some of the issues

that the commission's been looking at. With that, we've put forward this proposal to remove the Landlord Training Program from the ordinances. **Chairman McKiernan** said I want to say thank you for all the work that you two have put in on this. I originally was a proponent of this. I thought it sounded like a good idea but the more discussion I had, the more I investigated, the more I read about what other cities do, it seemed to me that it wasn't going to get us where we wanted to go and that simply enforcing the ordinances that we have and working with those people who choose to rent property rather than working against them would get us to where we all want our neighborhoods to be. I certainly would support this.

Action: **Commissioner Walters made a motion, seconded by Commissioner Murguia, to approve.** Roll call was taken and there were six "Ayes," Walters, Johnson, Murguia, Bynum, Townsend, McKiernan.

Chairman McKiernan said thank you very much again for all the work you've put in on this.

Item No. 2 – 150177...RESOLUTION: AMENDMENT TO ONE-YEAR ACTION PLAN

Synopsis: A resolution authorizing the submission for Amendment #1 of the 2014-2015 One-Year Action Plan to the US Department of Housing and Urban Development, submitted by Wilba Miller, Community Development Director.

Wilba Miller, Community Development Director, said the amendment tonight that we have before us was additional information for the One-Year Action Plan that was approved and adopted last year during the budget process. We had two activities that were approved last year and there have been changes to both of these. We have undergone a 30 day public comment period. After standing committee, we're asking that you forward this to full commission for approval for submission to HUD.

The first activity was the Housing Redevelopment Activity District 3. \$258,000 was awarded to Argentine Betterment Corporation to acquire and rehab the multifamily structure at 1351 S. 26th St. After some time, the organization has requested that we change that from acquisition rehab to acquisition demolition.

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The second activity was for the District 6 Redevelopment Project. When it was originally budgeted by itself, it was a small amount of money and we had another activity called the Low-Mod Redevelopment Project money. These were put together for a total of \$500,000 and this amendment gives us additional information with the activities, acquisition, relocation may apply, rehabilitation and/or demolition with rebuilding on the same site in Highland Crest. It also gives us the area boundaries and approximately less than 25 units on scattered sites throughout this designated area.

Chairman McKiernan said so the bottom line here is that really we've approved the funding for these already. These amendments just give us a little better clarity on the scope of the two projects. **Ms. Miller** said yes.

Action: **Commissioner Murguia made a motion, seconded by Commissioner Walters, to approve.** Roll call was taken and there were six "Ayes," Walters, Johnson, Murguia, Bynum, Townsend, McKiernan.

Item No. 3 – 150173...COMMUNICATION: LAND BANK APPLICATIONS

Synopsis: Request approval of the following applications, submitted by Chris Slaughter, Land Bank Manager. The Land Bank Board of Trustees has recommended approval.

Applications for yard expansion
 1907 N. 8th St. - Jose Alvarez-Aguiniga
 820 Stewart Ave. - James Bray, Sr.
 81 S. 24th St. - Sebastian Manriquez
 1845 N. 24th St. - Ismael Salmeron
 717 Garfield Ave. - Rigoberto Funez
 1042 Lafayette Ave. - Erika Avila
 2444 Farrow Ave. - Shellaine Bradford
 8833 State Ave. – Kevin Parks & Chris Handlin for commercial purposes

Chris Slaughter, Land Bank Manager, said first we have some applications for approval. I will ask because one of them is not a yard extension, we've put together a little presentation so if there are any questions on the yard expansions I can entertain those now. If not, I'll go right into the presentation on the property at 8833 State Ave. **Chairman McKiernan** said so we're going to group the yard extensions together with this final one and just have that as one motion, one

action. **Mr. Slaughter** said that's sufficient, yes, or it's however you want to do it. **Chairman McKiernan** said okay; let's just go ahead—**Jody Boeding, Chief Legal Counsel**, said if you think it'll be a different outcome, you can separate them. **Chairman McKiernan** said okay, thank you.

Wyandotte County Land Bank Strategic Property Acquisition at Tax Sale

Pilot Project Property
8833 State Ave



Mr. Slaughter said as you see, we're going to discuss the strategic property acquisition at the tax sale that the Land Bank is now looking at. This is a pilot project. I want to stress that, a pilot project and the property in question is 8833 State Ave.

Pilot Program

Questions that keep coming up:

- Why are we seeing the same properties in the tax sales?
- How can we take control of abandoned/tax delinquent property?
- I was approached by group/individual asking how they could get their hands on property X and fix up/develop it?
- Commission Goals:
 - Long Term A. *Develop a commercial component for the Land Bank to foster business development in addition to housing development*

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Through being in this position, I've noticed there's been a lot of questions that have come up in talking here with the commissioners or just with the public is why are we seeing the same properties over and over in the tax sale.

I've been approached, how can we take control of these abandoned, tax delinquent properties that are just wreaking havoc on our neighborhoods or I was approached by a group or an individual saying boy, if I can get my hands on that property, I can do so much better than what it's currently doing. One of your goals was for the Land Bank to help develop a commercial component to foster business development in addition to housing which we're working on that too.

Pilot Program

Land Bank & Tax Sale

- Currently taking no-bid property from tax sales, as long as it was a vacant lot
- Can Land Bank take same approach for property with an improvement on it?
- Caveat – once a property had a bid on it, the Land Bank was out!

So we have the tax sale and we have the Land Bank. How do they work together? Well, currently if there's a non-improved vacant property in the tax sale, the Land Bank, if nobody bids on it, and that's the big, if nobody bids on it, the Land Bank takes that property and then either sells it as a side yard, hopefully we can sell it for single-family construction, maybe it's for a garden. We were thinking, can we take the same approach with properties with an improvement. Again, if somebody bids on it, our hands are off. We don't touch it. Mainly it's because we would then have to have the funds to get in a competitive bidding war and quite frankly right now we just don't have that.

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8833 State Ave



So, again, the property again in question is 8833 State Ave. As you can see its right there basically at 88th & State. There's more of a close up picture of the property.

8833 State Ave – Lot Dimensions



This is just a slide that shows some of the dimensions. It is a fairly large parcel of property.

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8833 State Ave - History

- Currently Appraised at \$ 112,500.00
- Property is 9 years delinquent & was placed in Tax Sale 333 – **for the 5th time**
- minimum bid was at \$ 115,136.88
- Property has 3 spaces for business/office
- Property has one tenant
 - Alignance Chiropractic
- Condition of property showed signs of neglect

Currently, it's appraised at \$112,500. It's 9 years delinquent and it was in the last tax sale back in early June. It was in the tax sale for the fifth time, fifth time in the tax sale. Again, why do these properties keep coming back into the tax sale? Well, for this property, the main reason was at the time in June, \$115,000 was the minimum bid. It's already upside down. I mean it's going to continue to get worse and worse because the penalties and the interest, and next year's taxes will be added to it.

As you can also see or you'll see here shortly, the property was—the upkeep was starting to fail. The property has space for three either offices or you can put different types of businesses in there. It currently has one tenant in it which is Alignance Chiropractic. They at one point, I believe early on inquired about purchasing the property but, again, the taxes at the time were just too high to make that type of investment.

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Condition of Building



Again, as you can see here on some pictures, there's some neglect. There is a broken window.

Condition of Building



Some wood rot around it looks like a sliding door.

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Condition of Building



Parking lot curb deterioration.

Condition of Building



Again, probably some more wood rot.

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8833 State Ave – History

- Land Bank was approached by applicant(s) about purchasing/rehabbing property before the tax sale - an Option Purchase Agreement was negotiated
- No bid placed at sale – Land Bank took ownership
- After tax sale, the Land Bank had several inquires about property & program

We were approached about the applicants about this property, asking that if we could take it from the tax sale, they would be interested in purchasing it and doing the repairs and the upkeep for the property. We negotiated an option purchase agreement. It came to the tax sale, nobody bid on it so the Land Bank basically took it.

Even that day alone I think I was approached by three or four different groups saying well, what are you going to do with that property. If we would have known, we'd do this. I politely explained that this was just a pilot project. In the future this is probably something we'll hopefully continue to do and to just stay in contact with the Land Bank for future developments.

Part of their agreement, these were some projected repairs and cost. As you can see there's everything from—there's the French door removal, there's a wheelchair ramp that needs to be fixed, some interior work that needs to be done and a lot of water damage.

Projected Repairs/Cost

Item Description	Est. Cost
parking lot/curb repair	\$22,000.00
exterior building - painting	\$4,000.00
2 - french doors removal/stucco repair	\$5,000.00
replace wooden wheelchair ramp w/concrete	\$6,000.00
fix exterior lighted sign	\$1,000.00
interior building - painting	\$5,000.00
carpet replacement	\$10,000.00
deck removal	\$1,500.00
window leak repair	\$2,000.00
gutter repair/replace	\$1,500.00
stud repair	\$2,000.00
window replacement	\$8,000.00
Estimated Repairs	\$68,000.00

Part of their agreement, these were some projected repairs and cost. As you can see there's everything from—there's the French door removal, there's a wheelchair ramp that needs to be fixed, some interior work that needs to be done; and a lot of water damage. The bottom line, the totals of estimated repairs are about \$68,000.

8833 State Ave - Offer

- Applicants offer is \$ 65,000.00
- Timeline:
 - Phase I – 2015 repairs to ramp, parking lot & building exterior
 - Phase II – Interior finishes next 1.5 to 2 years (may be completed sooner w/newer tenants)

Their offer for us tonight is they're offering \$65,000 for the building. Their timeline for those estimated repairs is Phase 1 would be pretty much upon receiving the property until pretty much the end of the year. It would try to take care as much of the exterior repairs that need it: the parking lot, the ramp, part of the windows and stuff like that.

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The interior is probably going to be an ongoing deal that they say could take a year and a half to two but obviously if they can get tenants moved in there, that'll probably speed up the timeframe: new carpets, painting, dry wall repairs and stuff like that. That's kind of what we did with this property. We feel this is a step in the right direction of where we want to take the Land Bank and now I'd be interested if you guys have any questions or comments.

Chairman McKiernan said well, I certainly—when we have properties where people have demonstrated year after year after year that they're simply not going to pay the taxes and they demonstrate year after year after year that they're simply not going to maintain the property, I'm an advocate for finding some way to break that cycle and to get that property back to paying taxes and get that property to no longer being a blight and an eyesore and dragging the rest of that community down. I think this is a very interesting approach to try to do that. As a pilot, I'd be interested to see how this turns out.

Commissioner Walters asked who is the applicant. Is it the chiropractor? **Mr. Slaughter** said, no. The applicant is Kevin Pahls and Chris Handlin. They have experienced rehabbing properties throughout the county in the past. They're both on our Fire Department. They were both out of town and neither were able to attend tonight's meeting but I know Mr. Pahls—**Commissioner Walters** said so they're individuals; they're not a company. **Mr. Slaughter** said they will be doing this together. At the time of the application, their paperwork for their LLC had not gone through so I thought it'd be best if we just had them apply as individuals.

Commissioner Townsend said the estimated cost for repairs was \$68,000 and the appraised value was what, about \$115. **Mr. Slaughter** said \$112,500. **Commissioner Townsend** said \$112 and they're offering \$65,000. **Mr. Slaughter** said yes. **Commissioner Townsend** asked, are the repairs on us as the seller or on the perspective buyers to handle. **Mr. Slaughter** said the buyers will handle that.

Commissioner Walters said I know this is a pilot project. What kind of performance guarantee do we have? **Mr. Slaughter** said we have reversionary language and maybe if Colin is still here he can help answer this. We have reversionary language in the agreement that if they don't

comply then we have the right to take the property back. We have faith that just based on, again, some of the past performance that they've done with some—a lot of it's been residential. They did do a property at 1618 Bower. That was a commercial property. Again, we just felt it was worth taking the chance. **Chairman McKiernan** said and from my personal perspective, one of the things that I think we would want to continue to develop and I know that you've investigated this with Kyonga County, is if there's some sort of checklist of qualifications that someone might need to meet upfront to be considered for inclusion into this so that we have some sort of track record or reasonable expectation that they have the means and the capability of carrying the project through to completion.

Commissioner Murguia said so I do just want to make a comment. Chris, I really appreciate your efforts on this. I think this is innovative and out of the box for government, you'd have to admit. I'm very excited about it. I just want to say that there are going to be some problems and they are going to be some mistakes. If this works but the next three don't, I mean I just would hope the commission would say that's development. Sometimes it works and sometimes it doesn't. I think we need to all go in this with eyes wide open knowing that this is—I think this is a good plan. I totally support it, but we also need to realize that by no one's fault it may not work.

(The meeting was interrupted at 5:17 p.m. due to a tornado warning.)

(The meeting reconvened at 5:53 p.m.)

Chairman McKiernan said we'll go ahead and resume our meeting here. For anyone who is still watching, you're coming back from your safe place just as we're coming back from our safe place. For anyone who watches this later on YouTube, we just went to the basement but now we're back. Thanks to our UG staff for being on top of all of the emergency management situations. They did a great job.

We left off on our Neighborhood & Community Development Agenda. We were on Item No. 3 which were applications from the Land Bank. Jody has advised that since these first seven properties, the yard extensions, are so materially different from the eighth one, the pilot program,

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that we go ahead and have separate motions and separate votes for the first seven as a group and then for the eighth property, the commercial rehab property.

Action: **Commissioner Walters made a motion, seconded by Commissioner Townsend, to approve the first seven properties as yard expansions.** Roll call was taken and there were four “Ayes,” Walters, Bynum, Townsend, McKiernan.

Chairman McKiernan said so on the eighth property, our pilot project property, as we left, right as we finished the meeting before we went downstairs, Commissioner Murguia had said that she appreciated Mr. Slaughter’s effort and that she really thinks this a potentially very valuable program for our city and county as we look to get abandoned and non-tax revenue producing properties back into a tax producing, occupied and productive state. She cautioned us that there are going to be stumbles as we introduce this project and that we have to expect those and be willing to work through those in an effort to get, again, properties that aren’t producing tax revenue and are creating a blight to stop creating blight and produce tax revenue.

Commissioner Bynum said just a couple of questions to clarify and make sure I understand. The bid is \$65,000. **Mr. Slaughter** said yes, ma’am. **Commissioner Bynum** said and the taxes owed, do we have that dollar figure. **Chairman McKiernan** said roughly double that. **Mr. Slaughter** said \$115,000 or so. **Commissioner Bynum** said so that was the appraised value, \$112,000. **Mr. Slaughter** said correct. **Commissioner Bynum** said and \$115,000 is what, nine years worth of back taxes equal. **Mr. Slaughter** said well, \$115,000 and it’s a minor deal but that’s what the minimum bid was on the tax sale on June 4th and that may have been established say the beginning of May. I don’t know when they set that end of that figure. It’s safe to say it may be close to \$120,000 now. **Commissioner Bynum** said the \$65,000 will clear it and make it tax free. That will clear all the taxes and we get to start over. **Mr. Slaughter** said that’s a good way to put it; yes.

Commissioner Townsend said well, thanks to the weather break I was able to contemplate something that I had some reservations about earlier because of the estimated appraised value in comparison to the sale offer. When I took into account that the buyers would be responsible for

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an additional roughly \$68,000, the total price that they're offering in addition to these improvements would put us above what the estimated value is. I'm okay with that and I hope this project is successful.

Commissioner Johnson asked will they utilize any type of incentives. Will they be eligible for that as it relates to their equity that they're putting into this at all. Do you know? **Mr. Slaughter** asked incentives as far as what the Unified Government has to offer. **Chairman McKiernan** said like NRA for example. **Commissioner Johnson** said exactly. **Mr. Slaughter** said I believe they could be eligible for that. I don't believe it was discussed. We'll definitely send that information to them. **Chairman McKiernan** said I'll be of the opinion that even if they use NRA for example, 95% abatement of the increment for ten years, still getting that base tax paid on an annual basis and getting that building fixed back up will be a plus. Then if we get the increment, the 5% of the increment for ten years as well, I think we're in a much better position than we are today which is nothing and a deteriorating building. **Mr. Slaughter** said and the loss of another potential business within our community. **Chairman McKiernan** said correct.

Action: **Commissioner Bynum made a motion, seconded by Commissioner Townsend, to approve the transfer of 8833 State Ave.** Roll call was taken and there were six "Ayes," Walters, Johnson, Murguia, Bynum, Townsend, McKiernan.

Transfers to Land Bank
 1500 N. 5th St. from Unified Government
 1512 N. 5th St. from City of Kansas City, KS
 1900 N. 8th St. from Unified Government
 1901 N. 8th St. from Unified Government
 1903 N. 8th St. from Unified Government
 1904 N. 8th St. from Unified Government
 1905 N. 8th St. from Unified Government
 2000 N. 9th St. from Unified Government
 2001 N. 9th St. from Unified Government
 2004 N. 9th St. from Unified Government
 1043 Armstrong Ave. from Unified Government
 727 Barnett Ave. from City of Kansas City, KS
 504 Everett Ave. from Unified Government
 514 Everett Ave. from Unified Government
 *645 Minnesota Ave. from Unified Government

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*655 Minnesota Ave. from City of Kansas City, KS
 1001 Minnesota Ave. from Unified Government
 509 Oakland Ave. from Unified Government
 512 Oakland Ave. from Unified Government
 517 Oakland Ave. from Unified Government
 521 Oakland Ave. from Unified Government
 826 Ohio Ave. from Unified Government
 808 Splitlog Ave. from Unified Government
 *632 State Ave. from Unified Government
 522 Washington Blvd. from Unified Government
 (Per the December 2014 NCD Standing Committee meeting, property controlled by the UG/City of KCK & Board of County Commissioners that are delinquent will be transferred to the Land Bank to have delinquent property taxes abated.)
 * Properties with an improvement

Mr. Slaughter said back in, I believe, it was December of last year, we had the discussion about Unified Government controlled property that were currently delinquent on its taxes and the plan brought forward that you guys gave a blessing to was to move those to the Land Bank to abate those taxes. This is basically the first batch of those properties. There are 25 properties on your list. They are going to be transferred to the Land Bank, we'll abate those taxes and then probably at a later time we'll determine which ones will stay with the Land Bank and which ones will probably come back to the Unified Government.

Chairman McKiernan said for the benefit of Commissioners Johnson and Bynum, as we looked at—for example, as Commissioner Murguia and I looked at some of the rolls of tax delinquent or tax sale eligible properties, we found that properties that were attributed to the Unified Government, the city of Kansas City, KS, the county of Wyandotte all showed up and effectively artificially effect both the number and the value of properties that are in a tax delinquent status since as our properties they would not have taxes generated. We just decided that it was time to clean up our roster of properties to give us a clear indication of where we are today to better allow us to create plans for further rectifying the problem. That's where we are today.

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Action: Commissioner Murguia made a motion, seconded by Commissioner Townsend, to approve. Roll call was taken and there were six “Ayes,” Walters, Johnson, Murguia, Bynum, Townsend, McKiernan.

Chairman McKiernan said, Mr. Slaughter, thank you very much for your work. For the benefit of the commissioners, Item No. 4 on our original agenda has been pulled from today’s meeting and will come back at a future meeting.

Item No. 4 – 150174...DISCUSSION: LAND BANK PROPERTY AND HOLD AREAS

Synopsis: Discussion on Land Bank property and hold areas, submitted by Chris Slaughter, Land Bank Manager.

Action: No discussion. Item held for future meeting.

Adjourn

Chairman McKiernan adjourned the meeting at 6:02 p.m.

tpl