

TESTIMONY ON HB 2506

SENATE COMMITTEE ON ETHICS, ELECTIONS AND LOCAL GOVERNMENT

3/13/2018

I am Patrick DeLapp, from Topeka. I am an active member of Tennessee Town NIA, I have in the far past been President of East Topeka South NIA. I have done volunteer community work for the majority of my time in Topeka since the early 80's.

I oppose not only this law, but this bill which will also change the law for the following reasons.

-I consider it a taking, which needs to be compensated for.

-If the Cities would just wait an additional 12 months the issue could be taken up, simply by a Judicial Tax foreclosure.

: Shawnee County is having a sale proposed for 7/20/18, with close to 140 properties in it, with a second one already in the works.

:Wyandotte County, had a sale back in August 2017, with close to 1000 on the block

-Under Current Eminent domain laws, if the property goes to NGO, (Non Government Organization, DOUBLE the value of the property must be awarded. This bill offers nothing to the person losing his property to a NGO.

-Compensation needs to be paid, same as the process or taking property for roads, infrastruce and schools.

-Not for Profit, have the ability to take properties like these off the tax rolls permanently, and most of the ones the City of Topeka calls, "Partners", 2 or of the 3 are off the tax rolls, City of Topeka has, currently has taken over \$ 8 million dollars of Real Estate off the tax rolls.

-That \$ 8 million dollars off the tax rolls currently results in approximately, \$148,000 loss in payments to local government per year, in Shawnee County. That is just looking at 2 of the 3 housing partners Topeka currently has.

-In a more recent disclosure, Properties taken off the tax rolls dealing in Housing/ Residential use in **Shawnee county alone total over \$93.6 million dollars**. If taxes were paid it would bring in over \$1.7 million dollars a year to local schools and government.

-Who pays for Police, Fire protection, Roads, and let only which is crisis in Kansas is SCHOOLS? The rest of the neighborhoods do. It seems, moot to talk about an owner not paying taxes when a non-profit will mostly permanently take it off the tax rolls. This need to open up to anyone willing to take on the project.

-If this bill is passed it will be used against property owners who may ultimately, lose their property to a well known and well challenged legal process, known as Judicial Tax Foreclosure. If someone attorney up, by use of this bill, I am confident they would win on court on a Takings claims. But for the poor who are more concerned with keeping Utilities on and food on the

table, typically they can't afford \$250 or more, an hour for an attorney and they will be bowled over.

-An idea has been floating around to use the **"50% of assessor taxable market value"** (This is real bad idea. Currently what is used is the Replacement Value. It cost the same amount of dollars to build in a given City. Whether it in on a wealth part of town or a poorer part of town. A house valued at \$30,000 in poor part of town, could well have triple the value at \$90,000 if it was located in a better part of town. However the cost to put a roof on, paint the house, or put on a new door remain that same in the wealthier part of town as the poor part.

The lets say the repairs cost \$20,000 for roof, painting and a new door. In the poor part of town the house at \$30,000 that would be 66% of its value. The same house in the wealthy part of town that would be about 22%.

The house in the poor neighborhood could come down while the better part of town it stay. Same house same defects, just different location. That is not fair, and shows a failure idea of equal enforcement, and disparate impact on LMI neighborhoods. This is about safety and health.

The better way is to use Replacement value. That leveled the problem. Now they both have the same percentage that is bad% compared to good%

-Cities claim they cant find people, yet they are unwilling to look very hard. Take a look at these professional sites On the compute look at :<https://www.trustify.info/>

:<https://www.tlo.com/>

:<http://www.irbsearch.com/>

:<https://www.tracersinfo.com/>

-It will be effective used against the poorly educated, who do not know the Constitution requirement for compensation (or they thought they did but a law was passed by local government did not have compensate, so it must be right ??)

-As I see it this is just end run around paying any compensation, as required by the US Constitution! They should be paying compensation and keeping them also on the tax rolls, The Cities and Schools, we need the money.

The right thing should be done, which is to Buy the property, offer compensation !

Below is several alternatives of how to get more affordable housing, the right way, and remain on the tax rolls.

1. About \$1 Homes

HUD's Dollar Homes initiative helps **local governments** to foster housing opportunities for low to moderate income families and address specific community needs by offering them the opportunity to purchase qualified HUD-owned homes for \$1 each.

Dollar Homes are single-family homes that are acquired by the Federal Housing Administration (which is part of HUD) as a result of foreclosure actions. Single-family properties are made available through the program whenever FHA is unable to sell the homes for six months.

By selling vacant homes for \$1 after six months on the market, HUD makes it possible for communities to fix up the homes and put them to good use at a considerable savings. The newly occupied homes can then act as catalysts for neighborhood revitalization, attracting new residents and businesses to an area.

Local governments can partner with local nonprofit homeownership organizations or tap into existing local programs to resell the homes to low-to-moderate income residents of the community.

To find out if properties are available for sale in your community, visit [HUD Homes](#) and click on your state.

<http://www.hudhomestore.com/Home/DollarHomes.aspx>

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/reo/goodn/dhmabout

2. 50% for teacher, fire fighters, and Police HUD

(Good Neighbor Next Door Sales Program)

Law enforcement officers, pre-Kindergarten through 12th grade teachers, firefighters and emergency medical technicians can contribute to community revitalization while becoming homeowners through HUD's Good Neighbor Next Door Sales Program. HUD offers a substantial incentive in the form of a discount of 50% from the list price of the home. In return you must commit to live in the property for 36 months as your sole residence.

-How the Program Works

Eligible Single Family homes located in revitalization areas are listed exclusively for sale through the Good Neighbor Next Door Sales program. Properties are available for purchase through the program for seven days.

-How to Participate in Good Neighbor Next Door

Check the listings for your state. Follow the instructions to submit your interest in purchasing a specific home. If more than one person submits an offer on a single home a selection will be made by random lottery. You must meet the requirements for a law enforcement officer, teacher, firefighter or emergency medical technician and comply with HUD's regulations for the program. HUD requires that you sign a second mortgage and note for the discount amount. No interest or payments are required on this "silent second" provided that you fulfill the three-year occupancy requirement.

The number of properties available is limited and the list of available properties changes weekly.

<http://www.fhainfo.com/teachernextdoor.htm>

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/reo/goodn/gnndabot

3. KCMO \$1 homes (so successful, they are now \$999)

Below is a link which shows a house KCMO Landbank is getting rid of some homes and making inexpensive housing available to those willing to fix it up.

The quick why this works is that you put in for a house. If you will you will get the house and agree to fix it up in a certain number of years. If ones does this the Landbank with then give you the money it would have spent on tearing the house down.

KCMO is not the only city which has programs like this. Detroit also has one and some City in Ohio too.

https://www.youtube.com/watch?v=vhIT9SX_mYk&feature=youtu.be

<http://www.kansascity.com/news/politics-government/article77967492.html>

4. Title 1 loans (HUD guaranteed loans)

Here is an outline of what Title 1 loans entail:

1. **Loan limits.** Title 1 loans are available in amounts up to \$25,000 for single-family dwellings. For multi-family dwellings, the loans can be up to an average of \$12,000 per living unit, covering a maximum of five units or \$60,000. Amounts for manufactured homes depend on whether the property is on a permanent foundation.
2. **Collateral.** Title 1 loans greater than \$7,500 must be secured by a mortgage or a deed of trust on the property.
3. **Loan term.** Loans for permanent single and multi-family homes can be up to 20 years in length, with shorter limits applying for manufactured housing.
https://www.hud.gov/program_offices/housing/sfh/title/ti_abo

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