

Approved: 4-2-99
Date

MINUTES OF THE SENATE ELECTIONS AND LOCAL GOVERNMENT.

The meeting was called to order by Chairman Senator Janice Hardenburger at 1:30 p.m. on March 9, 1999, in Room 529-S of the Capitol.

All members were present except: Senator Praeger

Committee staff present: Dennis Hodgins, Legislative Research Department
Mike Heim, Legislative Research Department
Ken Wilke, Revisor of Statutes
Graceanna Wood, Committee Secretary

Conferees appearing before the committee: Representative David Haley

Others attending: See attached list

Chairman Hardenburger opened hearings on **HB 2310 concerning cities; rehabilitation of abandoned property** and introduced Representative David Haley as the sponsor of the bill.

Representative Haley presented testimony in favor of **HB 2310** advising the Committee that this bill would establish reasonable housing, and match marginal abandoned houses to people who wanted to renovate and who wanted to be responsible home owners. (Attachment #1) (Attachment #2)

Senator Gooch asked if the city would give assistance to any person being selected to receive this property, which would be put back on the tax roll, such as property tax relief.

Representative Haley stated that the purpose of the bill is to try and increase the population of the community, provide an opportunity for individuals to be responsible home owners and try to save some historic homes. He said that the objection to the bill is that this is a local controlled issue and the city should have the ability to tear down whatever houses they want without state interference.

Senator Steineger questioned how these homes would be marketed, and Representative Haley advised it would be entirely up to the individual wanting the home.

Senator Huelskamp asked if the provisions of this bill would make the statute non-uniform, and therefore, would allow the Johnson/Wyandotte Unified Government to charter out of the requirements as outlined in the bill?

Legislative Staff advised it applied to all cities in Wyandotte County. A city could charter out of provisions of this bill. (Attachment #3)

Senator Lawrence asked if the court would be involved. Legislative Staff advised that under current law when a non-profit organization goes to court and files a petition for renovation, the court determines if the property is abandoned and if there is an not-for-profit organization willing to renovate it. If the owner comes forward and decides to renovate it, the owner has the option under current law to renovate. If the owner does not show up or they do not follow through on their promise to rehabilitate, within 90 days, the structure may be given to the not-for-profit for renovations. After a certain amount of time, the title goes to the not-for-profit organization, and it becomes the new owner.

Chairman Hardenburger advised the Committee that hearing on this bill would be resumed Monday, March 15, and possible action upon the bill.

Meeting was adjourned at 2:30 p.m. Next meeting is scheduled for March 10, 1999.

ELECTIONS & LOCAL GOVERNMENT COMMITTEE GUEST LIST

DATE: MARCH 9, 1999

NAME	REPRESENTING
Anna Taylor	Johnson County
Brad Bryant	Sec. of State
Whitney Damron	WYCO/KCIES
Ken Moore	WYCO/KCIES
Harland Biddle	Biddle & Assoc.

Tuesday,
September 8,
1998

METRO

From House to homes



PEGGY BAIR/Special to The Star

David Haley, a state representative from Kansas City, Kan., worked recently on the garage roof of a house he is refurbishing at 936 Cleveland Ave., just across the street from his own house. Haley buys and repairs houses, and then sells or rents them.

Legislator keeps up the neighborhood

David Haley rehabilitates houses in Kansas City, Kan.

By JOHN A. DVORAK
Mid-America Correspondent

In Topeka, state Rep. David Haley dons a pinstriped suit and speaks in the Legislature about the need to preserve inner-city homes.

Back home in Kansas City, Kan., the trappings of political life disappear.

Haley turns to old clothes, grabs a set of tools and takes constituent calls on a hand-

held telephone while standing amid construction debris. The other day he was on top of a garage helping a worker install a roof.

Haley doesn't just talk about rehabilitating houses and improving neighborhoods; he's outside, in the heat of summer, trying to do it.

When not involved in lawmaking, Haley serves as property buyer, quasi-landlord and rehabilitation specialist in the area around 10th Street and Cleveland Avenue in Kansas City, Kan.

"This is a good neighborhood," Haley said. "People look out for each other. The

problem is, good people are dying off."

That means houses deteriorate. Undesirable people move in. Values sag. As the property falls deeper into disrepair the city steps in, eventually tearing derelict buildings down.

It's a familiar cycle that Haley, the government and lots of local leaders and organizations would like to stop.

"Most of the houses I get are in trouble," Haley said while working at 936 Cleveland Ave., a dilapidated, once-attractive house

See **LEGISLATOR, B-2**, Col. 2

Senate Elections & Local Government

Attachment: # 1-1

Date: 3-9-99

Legislator works on KCK houses and in Topeka

Continued from B-1

near where he lives.

His plan: put the houses into something resembling decent shape, either through his labor or hired help. Find someone worthy who needs a home and will continue the repairs. Charge what amounts to monthly rent with an understanding that the money can go toward buying the property.

Gerald Murphy, a bricklayer who did not have a home five years ago, likes the concept. He bought his house from Haley and continues to remodel it.

"It was real nice, beautiful woodwork; it just needed a little money put into it," Murphy said. "I've seen some really nice houses torn down. It's a good thing what David is doing, trying to save these houses."

Haley figures he can make some money and enhance the neighborhood he represents in the Legislature.

But it's not an easy job flush with big profits, not for him or for the other individuals and groups in Kansas City, Kan., who make similar efforts.

"It's a tough field. New construction is easier," said Al Hannah, executive director of Neighborhood Housing Services, a nonprofit group in Kansas City, Kan., that conducts rehabilitation projects.

So far Haley has owned eight homes. The one at 936 Cleveland was purchased from the federal government after a previous mortgage holder didn't pan out.

Homes can go for just a few thousand dollars sometimes. A few thousand more dollars may put them into livable shape. To make

them really spiffy may require thousands more, and that's difficult when the owners aren't well-to-do.

Repairs on homes may drag out. Haley has had property cited for code violations from the city. The violations were straightened out later, he said, and he criticized the city for not doing enough to preserve houses.

"They're trying to tear them down," he said.

Others disagree.

Police Lt. Pat Ohler, who oversees code enforcement, said the Unified Government of Wyandott County and Kansas City, Kan., receives criticism for acting too slowly to remove abandoned houses, not for acting too quickly.

About 250 houses are expected to be razed this year.

Ohler said he did not know how successful Haley had been with

home rehabilitation. But he applauded any group or individual who tried.

"I wish we had hundreds of them," he said.

Haley, a Democrat, has repeatedly lobbied in the Legislature for laws to aid inner-city neighborhoods. He would like to see special tax incentives for owners who rehabilitate and live in older homes.

He also calls on the city to switch money allocated for home removal to home remodeling.

Unified Government Commissioner Bill Miller said the laws of economics ultimately determined how much home rehabilitation went on.

"What David doesn't recognize is that in a free-market society, the real estate market determines whether people can take standard housing and make it habit-

able."

The city, Miller said, stands ready to embrace promising rehabilitation projects.

Last year Haley made housing an issue when he ran for mayor of the Unified Government. He lost to Carol Marinovich.

So now he concentrates on roofing one day, maybe carpentry, insulating or plasterboard installation another day.

"Whatever it takes," said Haley, a lawyer by training who concentrates on home rehabilitation rather than legal services. "Professionally," he said, "this is my first love."

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HOUSE OF
REPRESENTATIVES

DAVID B. HALEY
DISTRICT 34
WYANDOTTE COUNTY

HB 2310

REHABILITATION OF ABANDONED PROPERTY

GREETINGS / HISTORY OF HB 2310 (HANDOUT KC STAR ARTICLE)

THE ISSUE

Why is HB2310 needed?

- Inner City Abandoned Houses=Blight
- Affordable, Owner Occupied Housing is Rare
- Per Capita Income of Current Residents is Low

THE RESOLUTION

What will HB2310 do?

- Establish a "Reasonable Housing" Authority
- Match Marginal Abandoned Houses To People Desiring Renovation
- Provide Tax Abatement for 3 years

CONCLUSION/QUESTIONS?

Senate Elections & Local Government
Attachment: # 2-1
Date: 3-9-99

COMMITTEE ASSIGNMENTS
HEALTH & HUMAN SERVICES
JUDICIARY

haley@house.state.ks.us

(a) Prepare an analysis of the costs and benefits of each exemption which shall include the effect of the exemption on state revenues; and

(b) conduct a public hearing on the granting of such exemption. Notice of the public hearing shall be published at least once seven days prior to the hearing in the official city or county newspaper, as the case requires, and shall indicate the purpose, time and place thereof. In addition to such publication notice, the city or county clerk, as the case requires, shall notify in writing the governing body of any city or county and unified school district within which the property proposed for exemption is located.

History: L. 1994, ch. 187, § 4; Jan. 1, 1995.

UNSAFE OR DANGEROUS STRUCTURES AND ABANDONED PROPERTY

12-1750. Unsafe or dangerous structures; abandoned property; definitions. As used in this act:

(a) "Structure" means any building, wall or other structure.

(b) "Enforcing officer" means the building inspector or other officer designated by ordinance and charged with the administration of the provisions of this act.

(c) "Abandoned property" means any residential real estate for which taxes are delinquent for the preceding two years and which has been unoccupied continuously by persons legally in possession for the preceding one year.

(d) "Organization" means any nonprofit corporation organized under the laws of this state and which has among its purposes the improvement of housing.

(e) "Rehabilitation" means the process of improving the property, including, but not limited to, bringing property into compliance with applicable fire, housing and building codes.

(f) "Parties in interest" means any owner or owners of record, judgment creditor, tax purchaser or other party having any legal or equitable title or interest in the property.

(g) "Last known address" includes the address where the property is located, or the address as listed in the tax records.

(h) "Low or moderate income housing" means housing for persons and families with incomes within the income limitations prescribed by the department of housing and urban development pursuant to section 8 of the federal housing

and community development act of 1937, as amended.

History: L. 1961, ch. 74, § 1; L. 1994, ch. 242, § 1; July 1.

Research and Practice Aids:

Municipal Corporations = 625.

C.J.S. Municipal Corporations § 177.

12-1751. Same; powers of governing body. (a) The governing body of any city shall have the power to cause the repair or removal of, or to remove any structure located within the city, which may have become unsafe or dangerous.

(b) The governing body of any city shall have the power to cause the rehabilitation of or to rehabilitate any abandoned property located within the city.

History: L. 1961, ch. 74, § 2; L. 1994, ch. 242, § 2; July 1.

12-1752. Same; notice and hearing. Whenever the enforcing officer files with the governing body of the city a statement in writing that any structure, describing the same and where located, is unsafe or dangerous or is abandoned property, the governing body, by resolution, shall fix a time and place at which the owner, the owner's agent, any lienholders of record and any occupant of such structure may appear and show cause why such structure should not be condemned and ordered repaired or demolished in the case of unsafe or dangerous structures or rehabilitated in the case of abandoned property. Such resolution shall be published once each week for two consecutive weeks on the same day of each week. At least 30 days shall elapse between the last publication and the date set for the hearing. A copy of the resolution shall be mailed by certified mail within three days after its first publication to each such owner, agent, lienholder and occupant, at the last known address and shall be marked "deliver to addressee only."

History: L. 1961, ch. 74, § 3; L. 1968, ch. 185, § 1; L. 1981, ch. 173, § 24; L. 1994, ch. 242, § 3; July 1.

12-1753. Same; findings; resolution; contents; notice. On the date fixed for hearing or any adjournment thereof, the governing body shall hear all evidence submitted by the owner, the owner's agent, lienholders of record and occupants having an interest in such structure as well as evidence submitted by the enforcing officer filing the statement and shall make findings

by resolution. If the governing body of the city finds that such structure is unsafe or dangerous, such resolution shall direct the structure to be repaired or removed and the premises made safe and secure. If the governing body of the city finds that such structure is abandoned property, the governing body may authorize the rehabilitation of such property as provided by K.S.A. 1998 Supp. 12-1756a. Such resolution shall be published once in the official city paper and a copy mailed to the owners, agents, lienholders of record and occupants in the same manner provided for the notice of hearing. The resolution shall fix a reasonable time within which the repair or removal of such structure shall be commenced and a statement that if the owner of such structure fails to commence the repair or removal of such structure within the time stated or fails to diligently prosecute the same until the work is completed, the governing body will cause the structure to be repaired or razed and removed in the case of unsafe or dangerous structures or rehabilitated in the case of abandoned property.

History: L. 1961, ch. 74, § 4; L. 1994, ch. 242, § 4; July 1.

12-1756a. Rehabilitation of abandoned property; petition for possession; service of process; affirmative defense; rehabilitation plan; lease of property. (a) An organization may file a petition with the district court for an order for temporary possession of property if:

(1) The property has been declared abandoned pursuant to K.S.A. 12-1753, and amendments thereto;

(2) the organization intends to rehabilitate the property and use the property as housing for low and moderate income persons and families; and

(3) the organization has sent notice to the enforcing officer and the parties in interest of the property, by certified or registered mail, mailed to their last known address and posted on the property at least 30 days but not more than 60 days before the date the petition is filed, of the organization's intent to file a petition for possession under K.S.A. 12-1750 through 12-1756e, and amendments thereto.

(b) The proceeding shall be commenced by filing a verified petition in the district court in the county in which the property is located. The petition shall state that the conditions specified in subsection (a) exist. All parties in interest of the property shall be named as defendants in the pe-

tion. Summons shall be issued and service shall be made pursuant to K.S.A. 60-303, and amendments thereto. Service may be made by publication if the organization with due diligence is unable to make service of summons upon a defendant pursuant to subsection (a)(3) of K.S.A. 60-307, and amendments thereto.

(c) Any defendant may file as part of such defendant's answer, as an affirmative defense, a plan for the rehabilitation of the property. The court shall grant the defendant 90 days to bring the property into compliance with applicable fire, housing and building codes. The court, for good cause shown, may extend the ninety-day compliance period. If the property is brought into such compliance within the ninety-day period or extension of time thereof, the petition shall be dismissed. If the defendant fails to bring the property into such compliance within the ninety-day period or extension of time thereof, or if the defendant's plan is otherwise insufficient, the defendant's affirmative defense shall be stricken.

(d) At the hearing on the organization's petition, the organization shall submit to the court a plan for the rehabilitation of the property and present evidence that the organization has adequate resources to rehabilitate and thereafter manage the property. For the purpose of developing such a plan, representatives of the organization may be permitted entry onto the property by the court at such times and on such terms as the court may deem appropriate.

(e) The court shall make its own determination as to whether the property is in fact abandoned consistent with the terms of K.S.A. 12-1750 through 12-1756e, and amendments thereto.

(f) If the court approves the petition, the court shall enter an order approving the rehabilitation plan and granting temporary possession of the property to the organization. The organization, subject to court approval, may enter into leases or other agreements in relation to the property. Whether the court approves or denies the petition, the organization shall provide the governing body a copy of the order within 10 days of the organization's receipt or knowledge of such order.

History: L. 1994, ch. 242, § 5; L. 1996, ch. 231, § 1; July 1.

12-1756b. Same; annual report, contents. An organization which has possession of property pursuant to K.S.A. 12-1756a, and

amendments thereto, shall file an annual report with the governing body of the city concerning the rehabilitation and use of the property. The city shall require reports and status dates to be filed as it deems appropriate under the circumstances but no less frequently than once a year. The report shall include statements of all expenditures made by the organization including, but not limited to, payments for the rehabilitation, operation and maintenance of and repairs to the property, and for real estate taxes, and payments to mortgagees and lienholders during the preceding year and shall include statements of all income and receipts from the property for the preceding year.

History: L. 1994, ch. 242, § 6; L. 1996, ch. 231, § 2; July 1.

12-1756c. Same; procedure to obtain possession by owner; hearing. The owner of property of which temporary possession has been transferred to an organization pursuant to K.S.A. 12-1756a, and amendments thereto, shall be entitled to regain possession of the property by petitioning to the district court of the county in which such property is located for restoration of possession and, upon notice to the organization for a hearing on such petition. At the hearing, the court shall determine proper compensation to the organization for its expenditures, including management fees, based on the organization's reports to the court. The court, in determining the proper compensation to the organization, may consider income or receipts received from the property by the organization. After the owner pays the compensation to the organization as determined by the court, the owner shall resume possession of the property, subject to all existing rental agreements whether written or verbal, entered into by the organization.

History: L. 1994, ch. 242, § 7; L. 1996, ch. 231, § 3; July 1.

12-1756d. Same; organization's right to redeem. If property of which temporary possession has been transferred to an organization pursuant to K.S.A. 12-1756a, and amendments thereto, is sold for unpaid taxes, an organization with temporary possession may redeem the property in the same manner as the owner and amounts paid to redeem the property shall be included as expenditures in the organization's report to the court.

History: L. 1994, ch. 242, § 8; L. 1996, ch. 231, § 4; July 1.

12-1756e. Same; petition for judicial deed; conditions. If an owner of property of which temporary possession has been transferred to an organization pursuant to K.S.A. 12-1756a, and amendments thereto, takes no action to regain possession of the property in the five-year period following the granting of temporary possession of the property to the organization, the organization may file a petition for judicial deed and upon due notice to the named defendants and an order may be entered granting a quit-claim judicial deed to the organization providing that the property shall be used for low and moderate income housing for at least a 10-year period after the deed is granted.

History: L. 1994, ch. 242, § 9; L. 1996, ch. 231, § 5; July 1.

12-1756f. Organizations interested in rehabilitating abandoned property. The enforcing officer shall maintain a list of all organizations who are interested in rehabilitating abandoned property and who have requested to be included on such list. The organizations on such list shall be given written notice of abandoned property which may be available for rehabilitation by any such organization. The enforcing officer may require that requests to be included on such list be submitted annually to the enforcing officer.

History: L. 1996, ch. 231, § 6; July 1.

PUBLIC BUILDING COMMISSION

12-1758.

Attorney General's Opinions:

Public building commission: acquisition of sites and facilities; home rule powers; bond issues. 94-45.

12-1763. Public building commission; rental of building space and other facilities; exception. The public building commission shall have the authority to rent all or any part of its buildings or other facilities to any nonprofit corporation organized under the laws of this state or any federal, state, city or county governmental agency, or any municipal corporation, quasi-municipal corporation, political subdivision or body politic, or agency thereof, doing business, maintaining an office or rendering a public service in the county seat or county in which the commission was organized and to rent any space as may not be needed by such governmental agencies for such service facilities as such public building commission may determine will primarily serve the comfort and convenience of the occupants of its