

To: State of Kansas Commerce, Labor and Economic Development Committee
From: Mr. Greg Binns, City of Hutchinson Housing Commission Member
Subject: Testimony to be Presented in Opposition to HB 2665
Hearing: March 3, 2016, 1:30 PM, Rm 346-S

Honorable Legislators:

My name is Greg Binns. I am a resident of Hutchinson, Kansas, President and Chief Operating Officer of First National Bank and a member and past Chair of the City of Hutchinson's Housing Commission. I come before you today to speak in opposition to House Bill 2665. This measure, should it pass, would severely limit the City of Hutchinson's ability to improve the declining quality of housing stock in our community. The City recently adopted a rental inspection program as part of a multi-pronged approach to address our housing issues. This testimony includes a brief history of how we got to where we are, as well as a tragic story that made mandatory rental inspections a necessity, not a luxury.

Our community has old housing (77 year-old median age) which is not being maintained (32% is rated in fair to poor condition by the Reno County Appraiser). The quality of our housing has been an issue of major concern since 1995, when the Mayor established a Task Force to study housing. The Housing Commission is an offshoot of that Task Force. In 2001, the City hired a consultant to conduct a Housing Needs Assessment, which concluded that the City's housing stock was declining. That assessment recommended strategies for improving housing including enacting a rental licensing/inspection program. Another assessment was commissioned in 2009. The 2009 assessment recommended multiple strategies, including Strategy #2 which called for implementation of a Rental Occupancy Permit or Rental Registration System. This emphasis on rental housing was two-fold: 1) rental housing is a business -- many communities require licensing and inspections for businesses; and 2) rental housing represents a disproportionate share of the housing in poor condition in our community (34% of Hutchinson's housing are rentals and 55% of housing in poor condition are rentals).

Since the 2009 Assessment, the City has worked on implementation of the recommended strategies, including adoption of the International Property Maintenance Code (IPMC) in 2012. City Council adopted that code on a complaint-only basis, meaning that even exterior inspections could only be performed in response to a citizen complaint. Tenants were allowed to make interior complaints. Even with this limited level of enforcement, the City Inspections Department has averaged two inspections per week since the IPMC was adopted. Some of the things our inspectors have found would make your stomachs turn, including a stream of feces flowing under a house from a missing portion of the main sewer line. This is not a Third World country we are talking about here, it is the heart of the heartland. Our residents, most especially our poorest residents, deserve to live in safer conditions.

Largely in response to concerns about safety, in 2013, City Council expanded enforcement of the IPMC to include the 500 "worst of the worst" properties, as rated by the Appraiser, and the eastern portion of Avenue A in support of a grant application. Both expansions represented exterior only enforcement. The

Housing Commission continued to discuss strategy 2 from the 2009 assessment and how implementation could occur.

At a Housing Commission meeting in October 2014, staff proposed implementation of a rental inspection program on a voluntary basis. Jade Piros de Carvalho, City Councilmember at the time and present with me here today, told the Commission, "The only way this program is going to work is if it is mandatory." She requested a joint study session between the City Council and the Housing Commission for the specific purpose of discussing a rental inspection program. That session, which was held in December 2014, included a great deal of dialogue on both sides of the issue. However, because of a simultaneous increase in preventable house fires, with a disproportionate share of those occurring in rental units, the consensus was that a mandatory program needed to be developed. City Staff involved the Housing Commission, which includes landlords, realtors and developers, and the Central Kansas Landlord's Association in development of the program.

The goal of the program has always been to protect renters by inspecting units to ensure minimum health and safety standards are met. It is not a "beautification" measure – though I am certain tenants would like to see the 60s-era shag carpet replaced. Inspectors look at heating, plumbing, ventilation, electrical and other systems that are essential to life and health.

I and the rest of the Housing Commission firmly believe that Hutchinson is home to great landlords who value maintaining their properties and care about the safety of their renters. Unfortunately, this is not the case with every landlord and we see trends of multiple properties being purchased (largely on tax auction) by landlords who don't put a dime into their properties. In many cases, properties are divided illegally without adequate plumbing and electrical support. This program is not intended to punish our landlords or infringe upon their rights. This program is intended to protect the rights of tenants to live in a safe environment.

Many renters have indicated a hesitancy to complain about the state of their rentals for fear of retribution. Renters have indicated that landlords have bullied them into not taking their case to the City because they will be evicted from their rentals, and with children and lack of funds to quickly find another rental, this fear keeps them living in a rental that is not safe. A mandatory inspection program puts all landlords on a level playing field and protects tenants from evictions.

Our program is fair, it only addresses those units where compensation for a service is taking place. Our program is affordable. The annual registration fee is \$25, which many landlords indicate will be and has been passed onto the renter. This amounts to an additional \$2.09 a month that the renter, not the landlord, has to pay. And, as I have already illustrated, our program is necessary.

In conclusion, I want to share a tragic story with you. On a cold Christmas Eve in 2014 in Hutchinson, one of our houses experienced a house fire. It was the 6th fire that occurred that month. It was a preventable fire. It was caused by an electrical circuit overload due to the use of multiple space heaters. The house in question was a 114-year-old, single family home that had been illegally split into four rental units. The tenants were running space heaters because the home had no furnace. Imagine how cold your house would be without a furnace on a 30 degree evening. Hutchinson lost more than just another old house that day. It also lost a precious life, as an 8-year-old boy I will call "Joey" did not survive the terrible fire. "Joey"

was someone's child, someone's grandchild. And he died so needlessly. Had we had our inspection program at the time, we would have required the heater to be replaced and "Joey" would be alive today.

HB 2665 would not allow the City to inspect this unit or any other rental unit without a warrant. Modifying the program to include warrants will require us to raise our low fees to the point where the program is unaffordable for residents. Sure, landlords should be responsible and take care of their units in the first place. But they aren't and they don't and that is why we are here today. I implore you to reject this ill-conceived bill and protect the health, safety and welfare of our precious citizens, particularly those like "Joey" with no voice who lost his life so needlessly.

Thank you for the opportunity to comment.

Rental Registration & Inspection Program

Experience from Inspections

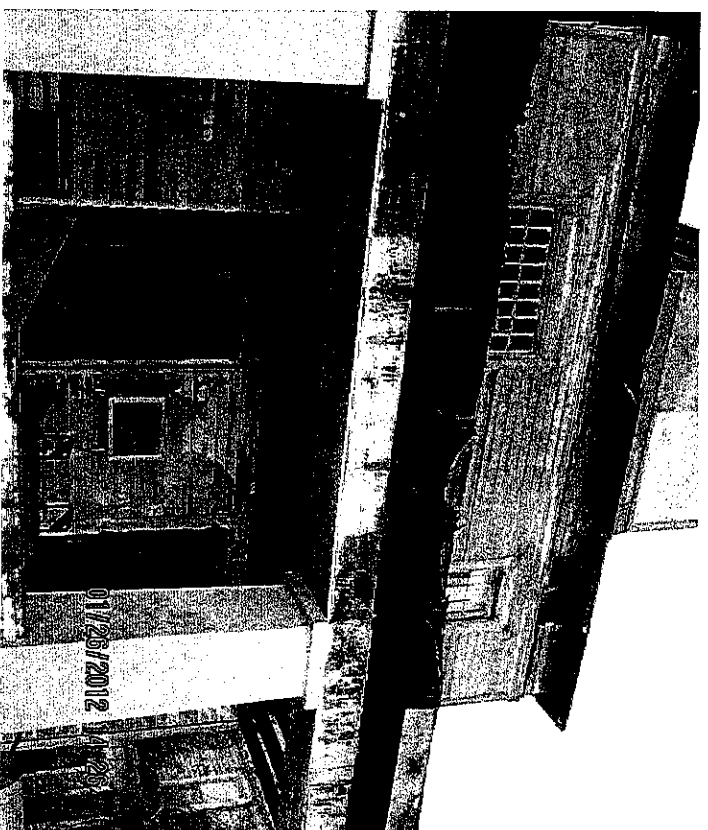
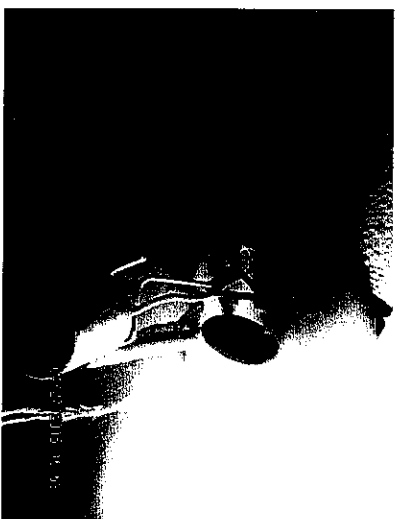
When I became a Building Inspector in 2007 and came to work for the City of Hutchinson I had no idea that rental inspections on a complaint basis was going to be part of me job. I was shocked at what conditions I found people were living in. I have taken my clothes off many times in my garage immediately after some inspections due to fleas and roaches. I had received a complaint call from a renter who was a mother of 3 young children. When I did my inspection I learned that they were without heat and hot water for 11 months. Kansas Gas had pulled the meter due to appliances that were unsafe. When I asked why she did not call earlier she explained that her landlord threaten to put her in jail. Finally 11 months later she was tired of boiling water to bath her family.

On December 24th, 2014 we had a fatality house fire, where a young 8 year old boy lost his life. This house was a large house that had been over the years divided up into multiple rental units. Inspections after the fire showed that they had no central heat, and the tenants were using space heaters only. The landlord at some point had removed the heating units and did not replace them. This fire could have been prevented and the unsafe items found if this inspection program was in effect at that time. These are just a small few of my experiences inspecting the rentals in Hutchinson, Kansas.

**-Trent Maxwell
Building Official**



Rental Registration & Inspection Program A Program of Necessity



1 | **1995 : Mayor's Task Force on Housing**
Created to report on the City's housing challenges and opportunities

3 | **2009 : Housing Needs Assessment**
Strategy 2: Implement a rental occupancy permit or rental registration system. It specifically references "complaint-only" enforcement and its ineffectiveness in resolving violations.

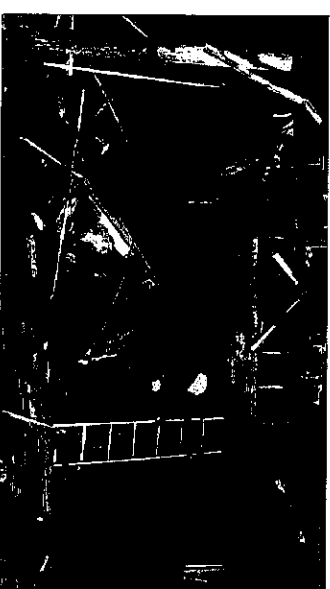
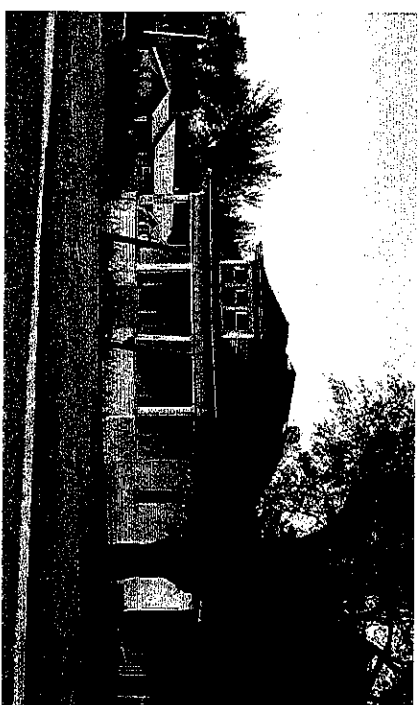
5 | **2013 : Waiving Complaint Only**
City Council waived the "complaint-only" requirement for "500 Worst of the Worst" Residential Houses and the Avenue A CDBG grant corridor. Inspections were exterior only.

7 | **2015 : Program Passed**
City Council approved the Rental Registration and Inspection Program on April 7, 2015.

2001 : Housing Needs Assessment
The first housing needs assessment the City of Hutchinson created. A strategy to for existing renter occupied housing: 2. Enact a Rental Licensing/Inspection Program

2011 : International Property Maintenance Code
The City Council adopted Strategy #1 from the 2009 Housing Needs Assessment by adopting the International Property Maintenance Code. However, the IPMC could only be enforced on a "complaint-only basis."

2014 : House Fires
Within one month, Hutchinson had 10 house fires. More than half were rentals. The worst fire resulted in a fatality, because the furnace had been removed and a space heater triggered the fire. City officials began considering the Rental Inspection Program.



Courtesy of Hutchinson