



Chanute

a TRADITION of INNOVATION

January 22, 2018

**RE: Written Testimony
Rehabilitation of Abandoned and Nuisance Housing
House Committee on Local Government**

The City of Chanute supports legislation (formerly SB 31) which will aid cities with stabilization of declining neighborhoods. In the case of Chanute, more than 50% of our housing stock was constructed prior to 1950 (US Census Survey). Many of our neighborhoods face issues caused by abandoned housing that continue to adversely impact surrounding property values and serves as a haven for other unwanted activity. In the last 34 months we have razed 36 houses, and have barely made a dent due to the advanced state of deterioration.

Law Enforcement & Criminal Activity

Chanute law enforcement explains that our local abandoned structures serve as a location to stash stolen property, commit crimes and allow unlawful subjects to evade pursuit when wanted by law enforcement in SEK. These structures are also the frequent target of arson stemming from territorial rivalries occurring at the hands of drug traffickers. One such case received regional press in 2013, when a young female subject was murdered and the structure was set on fire in an apparent effort to destroy evidence. It was days later that the body was discovered in the rubble of the home during the city's razing process. In a less malicious case, last week, children playing with matches inside of an abandoned structure, set the building ablaze resulting in a total loss, which placed them, adjacent property owners and firefighters at risk.

Economic Recruitment & Substandard Housing Stock

Our population has been stable since 1910. While this is a blessing, it creates direct challenges for our housing. Estimates suggest that nearly 50% of our homes are rental. As a corollary, in Chanute, when the condition of a rental slips, it is often decided by the landlord to simply walk away from the property because it is not economically viable for them to make necessary repairs for occupancy. In some instances, after a period of dormancy, they are once again rented, in direct violation of the Kansas Landlord Tenant Act, due to the tenant being saddled with the obligation of making critical repairs that are not within their means. Having one or two of these houses in the middle of the block, reduces homeowner confidence resulting in further divestment (broken window theory).

A statutory mechanism allowing cities to temporarily intervene with the ownership of these properties would allow programming to occur that would aid first time home buyers, or perhaps allow grants for seniors and other low-income qualified participants to convert these properties into owner occupied homes, where pride in ownership will advance neighborhood stabilization. Some of our worst neighborhoods are nearing 20% vacancy, while other more stable neighborhoods are thought to be somewhere in the 5-8% range.

The Desired Plan

If the Bill is successful, the City hopes to enhance owner occupancy ratios, through incentive programming, that will bring renewed ownership. In many cases we anticipate chains of houses being eligible, due to their current unkempt state that comports with the requisites of the draft Bill. This is one of the factors that currently prevents private investment from being successful on proposed in-fill projects. Local and out of state developers have voiced interest in pursuing such projects in Chanute, but only if a chain of houses can be provided. The risk associated with private investment, when the subject property is flanked by substandard housing quickly quells interest because of its negative affect upon marketability, private appraisals and underwriting.

When the City demolishes the worst of these structures, the alternative use is often that of a neighborhood garden that quickly becomes an eyesore until the county ultimately decides to auction the parcel, years later. Once auctioned, there are few known instances in Chanute where adjacent property values were stable enough to support nearby private investment on a single parcel. Catching these structures in their early state of demise is the logical answer, and we applaud the Committee's work in recognizing such facts.

In closing, cities will not be able to rely solely on such legislation, although it will likely become a helpful tool in inducing non-profit land banking and other local service groups in returning viable properties to the market for the benefit of the community.

Respectfully,



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City Manager