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January 23, 2018

Representative Kristey Williams, Chair  
House Local Government Committee  
(Attention: Committee Assistant: Iris Evans, Rm 165-W)

Subject: Testimony in OPPOSITION to House Bill No. 2506: Solving blight through Eminent Domain expansion, or a better Private Sector solution to achieving Community Uplift. NOTE: Committee Hearing on January 23, 2018 at 1:30 p.m. in Room 281-N.

Dear Madam Chair and members of the Committee on Local Government,

Current Kansas law gives Cities all the tools they need to deal with vacant and dangerous buildings without expanding their eminent domain powers.

The attached Wichita-Sedgwick County Metropolitan Area Planning Department “Building Blocks Infill Project Area” map details the literally dozens of houses that the city of Wichita has bulldozed under current law (See Exhibit A).



There is a better Private Sector solution to achieving “blight” remediation and Community Uplift that cities need to nurture, and support (See Exhibit B).



The right to private property serves as a central pillar of our American constitutional tradition. Allowing local governments to seize law abiding citizens’ private property without just compensation, adequate notice, and a legal property title is wrong (See Exhibit C).

The Bills that have been advanced on this subject over the past several years disparately impact low income and minority neighborhoods. The potential for abuse of this new statutory process cannot be ignored.

There is a better way. Let’s talk! (See Exhibit D).

Please vote NO on House Bill No. 2506 as it is currently written.

Sincerely,

John R. Todd  
Realtor© Emeritus

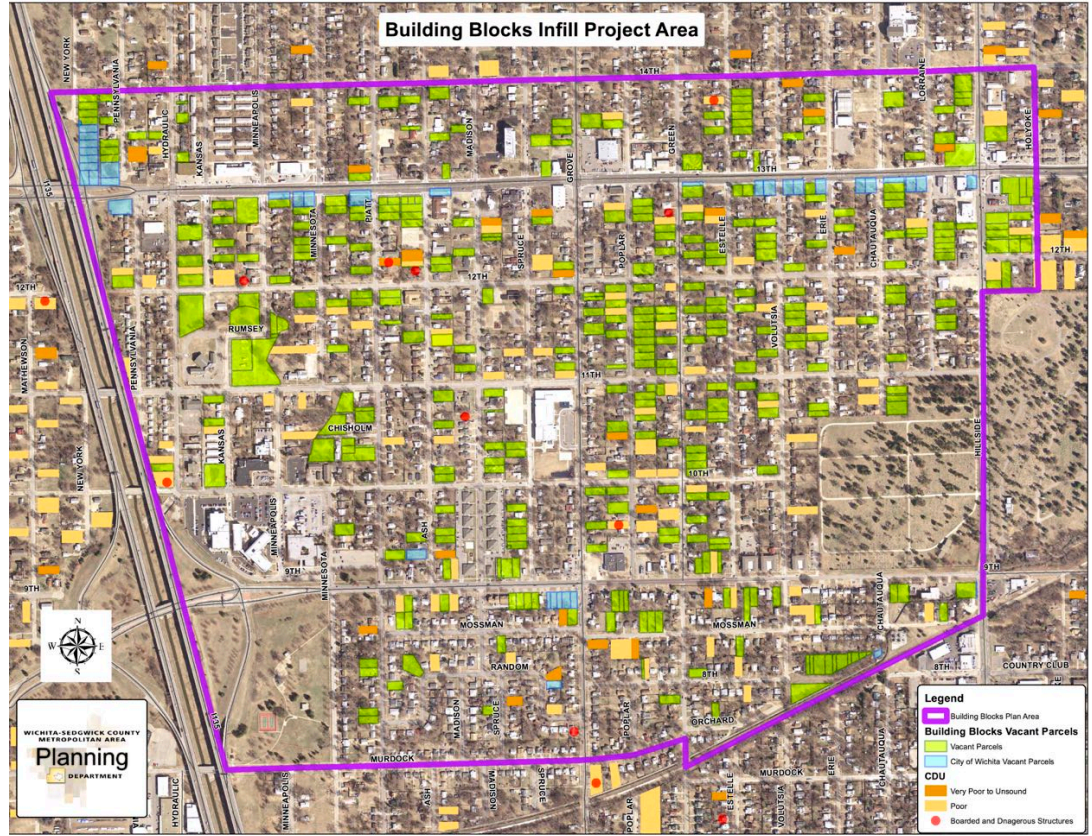
Enclosures: Exhibits A, B, C, and D

Exhibit A

**Government “Solution” to Housing Problems:** Demolish, take and pay no compensation to the property owners

**Wichita-Sedgwick County Metropolitan Area Planning Department Map, “Building Blocks Infill Project Area”**

Green rectangles represent dozens of vacant lots created by the city of Wichita bulldozing privately owned houses for housing code violations. Sadly, owners of these properties received **NO COMPENSATION** for their destroyed houses and were charged an \$8,000 to \$10,000 demolition fee as a special assessment levy fee. Back taxes are rarely collected on these properties and if the lots eventually sell it's for a few hundred dollars. As a Wichita Area single family home real estate practitioner, I know of no other area of town with the massive numbers of demolitions outside of the 67214 zip code.



Bulldozed, trash-littered, vacant lots created by the city’s policy are a blighting influence on the neighborhood

**Single family dwellings demolished by the City of Wichita**

January 2, 2015 through December 31, 2015 (Obtained through a KORA request by John Todd)

In 2015, the City of Wichita demolished 14 houses. Note that 10 of the 14, 71%, were in the predominantly African-American Community zip code 67214,

Case Number	Address	Processed Date	Resolved Date
DNB2014-00040	1321 N SANTA FE AVE WICHITA KS 67214	06/03/14	09/11/15
DNB2014-00044	347 N ASH ST WICHITA KS 67214	06/12/14	02/25/15
DNB2014-00045	2922 E MOSSMAN AVE WICHITA KS 67214	06/12/14	05/07/15
DNB2014-00071	541 N OHIO AVE WICHITA KS 67214	09/25/14	05/05/15
DNB2014-00074	2047 N MINNESOTA AVE WICHITA KS 67214	09/25/14	05/08/15
DNB2014-00075	2513 E SHADYBROOK LN WICHITA KS 67214	09/25/14	05/12/15
DNB2014-00076	2519 E SHADYBROOK LN WICHITA KS 67214	09/25/14	05/12/15
DNB2014-00078	2301 E SHADYBROOK LN WICHITA KS 67214	09/26/14	12/07/15
DNB2014-00091	357 N PENNSYLVANIA AVE WICHITA KS 67214	12/09/14	10/08/15
DNB2014-00094	1611 N HILLSIDE AVE WICHITA KS 67214	12/09/14	09/09/15
DNB2014-00096	6105 S MINNESOTA AVE WICHITA KS 67216	12/09/14	09/22/15
DNB2014-00098	1448 S HANDLEY ST WICHITA KS 67213	12/09/14	08/20/15
DNB2015-00029	1639 S LULU AVE WICHITA KS 67211	03/19/15	09/17/15
DNB2015-00035	6109 S OSAGE ST WICHITA KS 67217	03/19/15	11/30/15

Exhibit B

**Private Sector Solution:** Private sector, for-profit, taxpaying entrepreneurs used their own funds and work to create quality, entry level houses that result in widespread community/neighborhood uplift.

All properties were available to individuals, businesses and the non-profit sector through market-driven transactions. Allowing government or non-profit entities to seize property without just compensation is wrong.

**BEFORE**



**AFTER**



**North Cleveland House**

A young couple paid \$5,500 at a tax foreclosure sale to save this house. The house directly north of this one has also been recently rehabilitated. Such activity spurs neighborhood uplift and expands the tax base.



**Gentry House**

This house was saved by an enterprising couple who appeared before the Wichita City Council set to recommend demolition of this property. They repaired the basement wall for under \$10,000 and saved a house from the city's bulldozer. Flipping houses for profit works!



**Carlos House**

A contractor purchased this house after city staff recommended condemnation. After rehabilitation, it sold for \$124,900 in March 2017. This is a nice save for the city, county, and school district's property tax base!

Exhibit C

## **Guarantees Under the Constitution of the United States**

The right to private property serves as a central pillar of our American constitutional tradition. Allowing local governments to seize law abiding citizens' private property without just compensation, adequate notice, and a legal property title is wrong.

### **Amendment V**

No person shall be... deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

### **Amendment XIV**

... No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

## **Eminent Domain Without Restraint**

Melika Willoughby, Deputy Communications Director, Kansas Office of the Governor, in an April 16, 2017, email explained why Governor Brownback **vetoed** Senate Bill 338 in 2016. That bill is similar to bills introduced in the 2017 legislative session. Excerpted.

“Fellow Kansans,

Expanding eminent domain, inviting cronyism, and weakening individual liberties are notions Kansans stand unequivocally against. And that’s precisely why Governor Brownback vetoed Senate Bill 338 earlier this week.

Commonly known as the Blight Bill, this legislation enabled local governments to take land and homes from Kansans and then give it to private organizations. The legislation gave local authorities unmitigated power in determining which properties should be seized, allowing localities to write their own rules. It also ceded to municipalities the power to select which private organizations receive control of the property.

Fundamentally, this bill is an assault to the basic American principles of individual liberty and private property rights. It expands the size and scope of government with the intent purpose of stripping individuals of their private property. It also establishes an all too cozy system between municipalities and private organizations that is rife with the potential for cronyism and government abuse.

Governor Brownback wants to empower the people, but this legislation empowers government. As he writes, Government should defend and protect the property rights of all citizens, ensuring that the less advantaged are not denied the liberty to which every citizen is entitled.”

Best,

Melika Willoughby  
Deputy Communications Director  
Office of Governor Sam Brownback

Exhibit D

**There is a better way!**

The proponents of this and similar bills over the last few years have attempted to craft legislation to solve blighting and vacant property issues. They have totally left out input from the private sector (for-profit) businesses that make their living rehabilitating single family dwellings and building new homes on vacant infill lots. These are the entrepreneurs who can bring about the economically driven and sustainable neighborhood community uplift that everyone wants.

**Let's talk!**

I believe that long-term sustainable economic uplift in housing has always been driven by private sector taxpaying businesses. Why not involve them in this discussion before you pass a one-sided government driven solution?

Can anyone imagine the community uplift that could have resulted if one-third, one-half, or perhaps even two-thirds of the houses on the enclosed Exhibit 1 map had been rehabilitated rather than bulldozed? Take a look at the North Cleveland House on the Exhibit 2 enclosure as an example of what might have happened in this community. If our city has money to pay an \$8-10K bulldozing fee, just think of how far that money might have gone towards rehabilitating the individual houses that were destroyed?

For as long as I can remember, governmental officials from the Federal on down to the state and local level have correctly advocated the need for quality, low-cost, affordable, entry level housing. Here we have it ladies and gentlemen, and our city officials seem intent on wanting to destroy it?

I believe that property rights for private citizens serves as the bedrock for our freedoms in this country. It is essential for citizen uplift in our communities. Taking private property without compensation is wrong and this bill needs to address this issue.

I keep hearing the proponents of this bill talk about problems they have in locating the owners of vacant and abandoned property. I never cease to be amazed at how many property owners show up at the Wichita City Council meetings when their properties are scheduled for a demolition (bulldozing) vote. To me this means that city staff has not done their due diligence in locating the property owners. In defense of city staff, why should they exercise the same energy as a private sector entrepreneur who is incentivized by a profit motive? Again, we are back to a private sector solution.

During my 30-years as a private sector self-employed real estate developer and broker, I have owned hundreds of vacant lot parcels of real estate personally and have brokered hundreds of real estate transactions for customers. Working with a private sector builder we built houses on 175 vacant infill lots that we purchased from dozens of property owners. Only once during my career was I unable to work through finding property owners and solving title problems. The one case involved a Federal tax lien that was for more than the negotiated individual lot purchase price and the transaction did not close.

Through my extensive real estate experience I witnessed first-hand, job creation, expansion of the city, county, and school district's local tax base, and widespread community uplift. It works!

Let's talk before you pass bad legislation!