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TO: House Local Government Committee

FROM: David Dillner, City Manager, City of El Dorado

SUBJ: Testimony in Support of Abandoned Property Legislation

DATE: February 20, 2019

On behalf of the City of El Dorado, Kansas, I wish to thank you for the opportunity to provide written testimony in support of proposed legislation to address vacant and abandoned housing. The City of El Dorado supports efforts by the Kansas Legislature to allow cities throughout the state to address vacant and abandoned housing in an efficient and effective manner.

Many cities in the State of Kansas have vacant and abandoned housing challenges that dramatically affect the health and well-being of neighborhoods in the following ways:

- Reduction of property values for surrounding property owners, and in some cases, the inability to sell their property;
- Serving as an attractive nuisance to children who might play in or near a dangerous buildings or structures;
- Becoming a harbor for vagrants, criminals, or immoral people, or enabling people to resort to the building or structure for the purpose of committing unlawful acts;
- Facilitating public health concerns, such as rodents, wildlife, mold, stagnant water and similar issues; and
- Increasing the potential risk of fire and fire exposure to adjacent properties and structures.

Vacant and abandoned housing creates a disincentive for citizens to invest in their property and leads to a negative feedback loop that encourages further deterioration and blight. The City of El Dorado currently manages twenty-nine abandoned structures and is processing many others. These structures, while not a significant percentage of our housing stock, affects the community in an unevenly distributed manner. Many neighborhoods are affected by one or more of these structures which have an estimated value of \$15,000 or less.

For illustrative purposes, these twenty-nine structures have an aggregate assessed valuation of \$50,025, and would contribute approximately \$2,650 in property taxes to the City of El Dorado assuming such taxes are current. A conservative assessed valuation of these structures following a productive rehabilitation or redevelopment process would be estimated at \$366,850, which would contribute an estimated \$19,440 in property taxes to the City. Additional property taxes would also be paid to the county, school district, and other taxing jurisdictions, including the State of Kansas.

The State of Kansas values individual property rights that seemingly protect properties that have been abandoned. Cities do not want to take property from owners; instead, cities desire the means to address cases where owners have clearly abandoned a property as evidenced by gross neglect, structural deterioration, delinquent property taxes over multiple years, and unresponsiveness on the part of the owner to remediate nuisance and building issues at the request of the city.

Cities require the authority to address vacant and abandoned housing to reduce blight and facilitate the transfer of such property to a productive use for the benefit of our communities. The ability to address the challenge of vacant and abandoned housing ultimately creates opportunities for new and rehabilitated housing, strengthens neighborhoods, and enhances the overall quality of life for a community. Citizens will invest in communities where the aforementioned threats associated with vacant and abandoned housing are absent or vastly reduced.

On behalf of the City of El Dorado, I respectfully request your consideration of legislation that allows cities to address the issue of vacant and abandoned housing. House Bill 2314 would go a long way in providing the means for cities to address local challenges while having the added benefit of making Kansas communities stronger and more appealing places to call home.