From: Kim at MAREI Tucker
To: Public Testimony
Subject: On #231019
Date: Tuesday, December 12, 2023 9:21:04 AM
Attachments: image001.png

Council members, this ordinance is well thought out, but the consequences of this ordinance are not.

Here is my testimony for today's meeting. I may or may not get the opportunity to speak.

Who am I? Just a local real estate investor who has been investing in the metro since 2000. We have renovated several 100 homes, with about half being in Kansas City Missouri, before about 2015. Since, not so many in KCMO. I am also the leader of Mid-America Association of Real Estate Investors. We have 700 paid members, about 4000 associate members and we represent hundreds of thousands of rental units and renovated homes across the metro. I speak with a lot of people JUST LIKE ME who are both local, out of state and even a few who own 100s of doors. I have watched the city sit in stagnation for 20 plus years. And I don't see it improving any.

Here's my testimony.

We do need more affordable housing built or saved from the wrecking ball. Incentives to get people to build or renovate would help with this. Incentives for housing providers to take a chance on Section 8 renters would help.

But demanding anyone do something or else, imposing stiff fines for violation, and I see more people taking their investment dollars elsewhere.

Fifteen years ago, my husband and I purchased an average of 10 to 15 houses in KCMO every year that were vacant, run-down, and not habitable in Kansas City Missouri. We renovated them to nice, new condition with the Section 8 Housing Voucher Program in mind. Back then they had a point system that paid more if you checked more of the boxes on their list. We sold these to local investors who wanted to offer rentals in KC and they wanted to participate in Section 8 because it paid MORE than market.

This is not the case any longer. Section 8 is not paying as well, and the policies of KCMO and the overall issues with dealing with city offices drove us out of the city. We no longer offer rentals, market for section 8 and while we do still buy and renovate. I've avoided Kansas City Missouri.

We left because of trash and the city-owned water department. We stopped with section 8 because of our renters lost half their voucher payment and not being able to pay rent because one got a raise and another had a child turn 18. We had another renter who burned down her kitchen, it cost us $10,000 out of pocket to get it fixed, plus 2 months of lost rent. Small landlords CAN'T afford to participate in Section 8.

What I have seen in the past 15 years here in the city.

After the big water department court case, many investors left the city because of policy issues. You may remember 6 housing providers sued the water department and won, but the policies of charging housing providers for the renter's unpaid water and not shutting it off when they don't pay continues to this day.

The next big change was Healthy Homes. This sounds great, who does not want healthy Homes, it puts more costs and penalties on housing providers. The city lost more local housing providers.

Then the next year and the Tenant Bill of Rights. More Local Housing Providers left.

Then we had COVID, the Eviction Moratorium. People in yellow shirts feeding the media circus by chaining themselves to the courthouse and disrupting Zoom meetings as a means of shutting down court for the day. The city lost more housing providers.

Now, forcing housing providers to participate in a government benefit program, to enter into a contract with the government. Restricting their screening tools. Imposing harsh penalties. More housing providers will leave.

In a meeting last week with 70 local housing providers, we surveyed with about half responding. Almost 600 units have been sold off by about 30 people in the last 4 years in response to city policy. Snd I know for a fact that several in that meeting who did not respond had sold off their houses as well, houses that they offered on Section 8.

Note: many who are the most vocal against this ordinance, rent their homes via the Section 8 program. They don't have issue with the program and think it works great. But they have a problem with forcing people and they agree, the average housing provider that does not "know the system" is not going to fare very well.

If you don't realize it, the good housing providers, that treat renters fairly, offer good solid rentals and are the kind of landlords you want in this city. The ones that pay attention and follow the rules. . they are the ones selling out.

The ones that pay no attention to rules, regulation,s or the law
They are the ones left . . and they will probably just ignore the law. Or they are Wall Street landlord who just don't care.

But no matter how you slice it, this ordinance will have a huge effect on affordable housing. Further reducing investment in KC by people like me who renovate, by developers who build, and by local housing providers who do accept Section 8. Further limiting your supply of affordable housing and increasing costs on the units that are left.

And get ready for very lengthy rental applications. Because to meet fair housing we have to ask all of those "dig deeper" questions on different things like credit, eviction, and criminal history of everyone, not just those with issues. Gotta treat everyone the same. If you don't Fair Housing doesn't like it and you face even more penalties.

I know you are part of the decision-making process today, but will probably be at the meeting and in voting on Thursday perhpas. I hope you will vote no and look at some of the other alternatives set forth.

Your Partner in Success,
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Check out our website!

On Mon, Dec 11, 2023 at 2:11 PM Radzevich, Diana <Diana.Radzevich@kcmo.org> wrote:

> Councilman O'Neill appreciates your input.
>
> **Diana Radzevich**
>
> Executive Aide to Councilman O'Neill
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> ---
>
> **From:** Kim at MAREI Tucker <kimatmarei@gmail.com>
> **Sent:** Saturday, December 9, 2023 10:11 AM
> **To:** cc 3 <cc3@kcmo.org>
> **Subject:** Offer a CARROT, Don't threaten with a STICK
>
> **EXTERNAL: This email originated from outside the kcmo.org organization. Use caution and examine the sender address before replying or clicking links.**
>
> Councilmembers,
>
> Do you remember learning in school or church or somewhere the concept of offering a CARROT over a STICK?
>
> It was an entire day in a class I took in college - that when training a Dog if you reward him for doing the thing you want him to do he will learn the preferred action. But beat that Dog with a stick for doing something bad and he will continue to do it.
>
> So this ordinance sounds awesome I guess if your goal is to get everyone to participate in Section 8 housing, except it's not. I have seen "Stick" type, do not do this rules time and again and for the most part they are in the case of the city, not even known

to exist. But for those who know about it, some might comply. More will find a workaround, like raising rents across the board, problem solved. Others will choose to leave.

I just read a study on how to get more participation in Section 8 and all the recommendations are Carrots, not sticks.

You can read this report
here: https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_housing_vouchers_grantmaking_darin_2023.pdf

Just this past year Johnson County Kansas created a Carrot-type incentive program to incentivize housing providers to participate. It didn't cause rents to go up, it didn't cause housing providers to leave the business, it did find housing for 80 voucher holders and brought about 25 new housing providers into the Section 8 program. They worked directly with the Landlords of Johnson County a group -to get input and implement the program. Imagine that: working with housing providers who know how things work and have a stake in the industry.

I learned late Friday that **Resolution #231039** was presented as a Carrot by Councilmember Willett. I urge you to take a look at this Resolution and get behind it.

By the way, did you know our organization has been in business since 2004? We have almost 700 paid members and about 4000 associated members. We represent 1000s of units across the metro and spend $100,000s in the community every year fixing up and maintaining houses. We are behind a lot of sales tax dollars, and real estate tax dollars and provide 1000s of jobs in the metro. We know about these things and have people who are willing to help address an issue. No one has ever reached out to us and instead, just keep creating sticks and beating us down. This might be why since 2008 the ownership of many of the rentals in Kansas City Missouri has changed from local housing providers to out-of-state hedge funds. If that is the goal great, but I understand that people are not happy that hedge funds own rentals.

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