

## The AAGW, NAA Head to Washington

This month, members of the AAGW Legislative Committee will be heading to Capitol Hill in Washington, D.C. to meet with elected leaders to discuss the complex challenges in the marketplace. This year's legislative priorities center around housing affordability and making real progress on increasing supply and preventing adverse policies from taking hold.

At this Advocate Conference, they will be joining other NAA affiliates from across the country who will be having the same conversations with their region's Representatives and Senators, making this the industry's largest advocacy conference. Below are the issues they will be discussing.

### **Yes In My Backyard (YIMBY) Act**

Housing affordability is a complex issue, driven by diverse factors including income levels, land and natural resource availability, population growth and housing supply-demand imbalance. One of the best strategies to address this issue is to make housing more available through increased production of units where they are needed most. This is not easy for myriad reasons, including the significant local barriers to development of new rental housing.



NAA conducted a national survey to better understand factors that impact new supply of apartments. The survey measured development complexity including the impact of community involvement, construction costs, infrastructure, growth restrictions, land supply, environmental restrictions, approval process and political complexity, time to develop a new property and others. The survey found that, in addition to the importance of land availability, input from local citizens (sometimes expressed as Not In My Back Yard or NIMBY activism) significantly influences development. As well, rising land and labor costs are inhibiting the production of affordable housing while complex approval systems are correlated to affordability issues.

There is a constructive role for the federal government to play in solving the housing shortage and affordability crisis, including the issue of local barriers to development. Bipartisan legislation – the Yes In My Backyard Act or YIMBY Act – introduced in the House of Representatives (H.R. 4351) and the Senate (S.1919) enables this by:

1. Encouraging localities to eliminate discriminatory land use policies and remove barriers that prevent needed housing from being built around the country;
2. Requiring Community Development Block Grant recipients to report periodically on the extent to which they are removing discriminatory land use policies and implementing inclusive and affordable housing;
3. Increasing transparency and encouraging more thoughtful and inclusive development practices by requiring localities to fully examine and disclose their housing policy decisions.

The AAGW and NAA both strongly urge members of Congress to support the YIMBY Act.



## Section 8 Program Reform

The Section 8 Housing Choice Voucher Program has long served as America's primary method of rental assistance. Funded by the U.S. Department of Housing and Urban Development and administered by local public housing authorities, the program provides subsidized rents for qualifying low-income families in private rental housing, including apartments. This public-private partnership has the potential to be one of the most effective means of addressing our nation's affordable housing

needs and supporting mixed-income communities. However, the program's potential success is limited by too many inefficient and duplicative requirements, which discourage private providers from accepting vouchers.

This public-private partnership has the potential to be the nation's most effective, short-term solution to address the housing affordability crisis, but only if the bureaucracy and red tape associated with the program can be reduced or eliminated altogether. Although many rental housing providers across the country are supporters of the program and actively participate, the lion's share of the industry does not. Rental housing providers experience significant challenges that create uncertainty in rental housing operations and often undermine the ability of owners to properly manage risk. These lead existing participants to leave the program and discouraging non-participating providers from opting in.

Any improvements to the HCV Program that streamline the leasing process and make it comparable to a standard leasing transaction would increase voluntary participation by rental housing providers. This would, in turn, increase choice and access to quality housing opportunities for voucher holders, considerably benefiting low- and moderate-income families.

Revitalization of the HCV Program is a key priority for the apartment industry. The improvements the National Apartment Association (NAA) urges policymakers to support include:

- “Landlord liaison” positions at PHAs that allow property owners to have a dedicated contact to answer questions or address concerns.
- Risk mitigation funding for participating owners and operators to recover lost rent or the cost of repairs or damages caused by voucher holders.
- Administrative fee incentives for PHAs, awarded by HUD to those who improve their efficiency and consistency. •
- Greater funding for HCVs overall to ease pressure on existing waiting lists and allow more individuals to obtain assistance.

Finally, it is imperative that the HCV Program remain voluntary. At the program's inception, Congress explicitly made participation voluntary because of the regulatory burdens associated with the program. Policymakers at all levels of government are considering “source of income” proposals that are intended primarily to prohibit discrimination against individuals who receive housing subsidies. However, in practice, these laws require housing providers to participate in the HCV Program. While well intentioned, such mandates are self-defeating because they greatly diminish private market participation and the number of available units in high opportunity areas.

## Eviction Policies

Evictions are a troubling experience for all parties involved. However, they are a necessary part of managing an apartment community. Rental housing providers engage in the eviction process as their only legal remedy to remove a resident who has breached the lease and lawfully regain possession of their property. While most eviction complaints are premised on non-payment of rent, other causes include lease violations and criminal activity. Where possible, property owners seek to mitigate evictions by working with affected residents on payment plans and connecting them with social services.



Lawmakers at all levels of government have tried to address the ongoing financial challenges of cost-burdened renters through legislation, but in many cases the proposed policies end up harming the very populations they are trying to serve. These proposals often come in the form of increased restrictions on the eviction process and rental history screening practices that have severe unintended consequences for renters and owner-operators alike. Examples of adverse eviction policies include increasingly burdensome eviction notice requirements, increasing the cost to file an eviction, expanded right of redemption for residents in default, restrictions on the ability of owners to screen an applicant's criminal and rental histories, abolishing the right of owners to non-renew a resident's lease through just cause eviction provisions, and funding government sponsored right to counsel programs.

Adverse policies interfere with rental housing providers' use of the only legal remedy available to remove renters who violate the lease agreement, preventing them from effectively managing the risks associated with defaulting renters. While policymakers implement these changes with the intention of making the eviction process more fair to renters, they ultimately fail to resolve the core issues that leave cost-burdened renters at risk for eviction while increasing administrative and legal costs. These costs are eventually passed through to residents, which results in higher housing costs overall. Moreover, the burdensome bureaucratic requirements these policies create discourage housing providers from accepting applicants for housing who may have adverse credit, criminal or eviction history, while also preventing them from swiftly addressing resident's minor financial hardships by making reasonable payment plans unfeasible.

NAA supports the following strategies to mitigate the impact of evictions on renters as an alternative to adverse changes to eviction policy:

- Prescribe an annual cap on right of redemption;
- Establish optional, government-funded [nonbinding] mediation programs in lieu of mandated right to counsel;
- Spread the cost of legal defense programs across all taxpayers instead of placing the financial burden squarely on rental property owners;
- Invest in and promote emergency resources for those who are hardest hit by financial hardships;
- Address financial challenges that leave cost-burdened renters at risk for eviction;
- Promote financial literacy programs;
- Increase funding and improve delivery of existing federal, state and local programs for low-income households;
- Engage in voluntary public-private partnerships that improve housing choice and opportunity; and support policies that increase the supply of housing.

## **Kansas Governor Says She'd Sign Marijuana Legalization Bill, But Medical Cannabis Is Her Priority** *By: Kyle Jaeger*



The governor of Kansas said on Thursday that she'd likely sign a bill to legalize marijuana in the state if lawmakers sent one to her desk.

In a pair of TV interviews looking at her legislative priorities for 2020, Gov. Laura Kelly (D) said the legislature needs to approve medical cannabis, which she argued would help families with children who have serious illnesses and also combat the opioid crisis.

But while the governor said she isn't "going to advocate for" broader recreational legalization, that doesn't mean she wouldn't enact such legislation if it advanced in the state.

"I haven't really decided what I would do. This is something where what the people want is probably more what I will want on something like that," Kelly told WIBW. "I don't have a personal ideology regarding it. If the folks want it and the legislature passes it, would I sign it? Probably."

Again, however, she stressed that it's the more focused legalization of cannabis for medical purposes that is part of her personal agenda for the 2020 session.

"I have always said that I want it well-regulated so that it's controlled so that it's not the first step to legalization of marijuana," the governor said. "I don't want that. I want it to be seen as a pharmaceutical and controlled as we do that."

"I do believe that medical marijuana needs to be legalized," she added. "It does have medical uses, and I think it would do a lot for our families who have these kids with Dravet syndrome, which is that severe, frequent epileptic seizures, and I also think that it would help with the opioid crisis."

Kelly has repeatedly been on the record voicing support for medical marijuana, including as part of her election campaign in 2018, but her concession that she'd sign off on adult-use legalization is notable. And while she said that doesn't "think Kansas is ready to go there" with the more far-reaching policy change, a recent poll indicates that most state residents are in fact ready.

The annual Kansas Speaks survey, released last month, showed that 63 percent of Kansans are in favor of adult-use marijuana legalization.

With that, it appears the only thing that remains to be seen is whether the legislature will pass a legalization bill and send it to Kelly's desk.

## Kansas Governor Says She'd Sign Marijuana Legalization Bill, But Medical Cannabis Is Her Priority (Cont'd)

For now, however, the prospects look good for at least enacting some form of medical cannabis legalization in the state. A special legislative commission issued recommendations last year in support of establishing a limited medical marijuana program that would allow patients to access products that can't be smoked or vaped. It also said patients visiting from out of state should be afforded some legal protections.

"I'm fully aware of the desire that people have for the legalization of medical marijuana," Kelly said in a separate interview with KSNT. "I support it and I hope the legislature deals with it."



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