

**Testimony of Tina Barnes**

**Before the United States House Committee on the Judiciary**

**Subcommittee on the Constitution and Civil Justice**

**Hearing on the Private Property Rights Protection Act**

**March 30, 2017**

Thank you for the opportunity to testify about legislation that will protect the private property rights of people like me and my neighbors.

My name is Tina Barnes. I live in the small Southern Indiana city of Charlestown. I own my home in the low-income neighborhood of Pleasant Ridge, which has about 350 houses. About a quarter of those homes are owner-occupied; the others are rentals. I have been a member of the city council since 2016, and Pleasant Ridge makes up the major portion of my district.

In the Spring of 2014, we woke up one morning and learned that the city had a plan to demolish every home in Pleasant Ridge. We had no idea what we were up against, nor did we know how to begin to fight it. We had no input into the plan. We were never consulted about any part of it, and we never had a seat at the table. We just knew we were in big trouble, and were about to be crushed by our own city government.

And believe it or not, the City was going to use federal money; TARP funds that were set aside to prevent a financial collapse were being repackaged as grants to states for "blight elimination," which my City was going to use to drive my neighbors and me out of town. Because federal money can be used for many wrongful purposes once it is funneled into the wrong hands, it's critical for Congress to place strict limits on federal funds to make sure they won't be used to advance eminent domain abuse.

The whole redevelopment scheme came about primarily because of the location of Pleasant Ridge. It is an obvious target for land developers who want to reap the profit of a pending economic boom in Charlestown. Thanks to a new Ohio River bridge near our end of the county, we are now just minutes away from Louisville, Kentucky. Also, the former Indiana Army Ammunition Plant is located in and adjacent to Charlestown. It has been privatized, and is booming with new businesses, with more to come.

Those events led Mayor Bob Hall to create a plan in 2014 to redevelop Pleasant Ridge. The use of eminent domain was an obvious component of the plan, which was called "Blight to Bright." It was

described in a brochure that was distributed throughout the city. In it, the mayor justified the destruction of our neighborhood by saying it would “remove a cloud over the city.” He described Pleasant Ridge as “a stigma that stymies economic growth and negatively affects our schools.” He went on to proclaim that Pleasant Ridge would be transformed into a neighborhood like Norton Commons, which is an upscale neighborhood near Louisville. Homes there range from \$300,000 to over a \$1,000,000.

In pursuit of his plan, the mayor teamed up with John Neace, a wealthy land developer. That was done without any involvement of the city council. The Hall-and-Neace scheme relied on the city getting funding from Indiana’s Blight Elimination Program. As mentioned a moment ago, that state money was actually federal TARP money. Did anyone in Congress or the Treasury think that TARP funds would be used to bulldoze the homes of the country’s more economically vulnerable citizens? That TARP money would then be funneled to Mr. Neace, to subsidize his purchase of every home in Pleasant Ridge.

To qualify for the funding, the city falsely declared that EVERY home in Pleasant Ridge was blighted. They falsely declared that EVERY home had lead paint. They falsely declared that EVERY home had asbestos siding. Under Indiana’s eminent domain reform law, designating every home to be blighted was the only way the city could use eminent domain. Thanks to a sympathetic City Council, Mayor Hall’s 2014 plan failed to get approved, and the city withdrew its application for Blight Elimination Program funds. That turned out to be only a temporary roadblock.

In 2016, the mayor got a new hand-picked city council, and he immediately announced his intent to redevelop Pleasant Ridge. In response to numerous inquiries from the media, neither the mayor nor the city attorney would deny that the use of eminent domain was still on the table.

In just a few months, the council adopted scores of pages of ordinances and resolutions with the sole objective of furthering the mayor’s plan. The new plan is no different than the old plan, but the new legislation is being used to achieve the same old goals.

First came an ordinance authorizing the inspection (inside and outside) of “at-risk residential rental properties.” That led to landlords who owned multiple rental properties being assessed fines for property-code violations that ran into the hundreds of thousands of dollars. Their only recourse was to sell to John Neace, who swept up over 150 homes for \$10,000 each. Although the fines were supposed to go with the property, the city has waived them for Mr. Neace, because he said he would demolish all of them. He has owned some of them since last July, but has yet to demolish a single house, and most of them are still being rented.

Next came an ordinance that prohibits “public nuisances.” Some people call this the “three strikes and you are out ordinance.” Others call it the “stray cat ordinance.” Feeding a stray cat or dog is a violation of the ordinance. Each time you are caught feeding a stray cat or dog is a separate violation. Any violation of the building maintenance code is also a violation of the public nuisance ordinance. Each violation can lead to a fine as high as \$2,500. Three violations in a calendar year can lead to the city declaring your house unfit for habitation and shutting off city water. More importantly, Indiana allows eminent domain to be used to eliminate public nuisances. We believe that is the real objective of this ordinance.

Last year the city’s Redevelopment Commission adopted a resolution authorizing the mayor’s plan. It stated that Pleasant Ridge “is a menace to the social and economic interest of the City and its inhabitants.” The plan itself stated that its purpose was to “benefit the public health, safety, morals, and welfare of the citizens of the city.” Many of my neighbors openly wept when they read those demeaning statements. It removed all doubt that we were considered to be second-class citizens, unworthy of living in Charlestown.

It should be noted that there are acres and acres of vacant land in and near Charlestown that would be well-suited for the development of upscale neighborhoods. John Neace could purchase as much of that land as he desired. But thanks to Mayor Bob Hall’s plan, Pleasant Ridge was made available to him at bargain-basement prices. He could never get such a sweetheart deal from private owners elsewhere in the area.

I’m appearing here today on behalf of all 350 Pleasant Ridge families. I want to convey to you their message. It is the message of

retirees, including many veterans, who are living on very limited incomes. It is the message of young couples who managed to buy their first starter home. It is the message of many desperately poor people, both young and old, who will have no place to go if they lose their home. The message is simple: Do not allow city government to be used against us. Do not allow city government to use the power of eminent domain to take from the poor and give to the rich.

We recognize that our subdivision would benefit from redevelopment and the removal of the truly unsafe houses. We are not opposed to progress, but it should not be achieved on the backs of the poor. We believe that: No. 1 – Eminent domain must not be used to force our residents out of their homes. No. 2 -- The owners of Pleasant Ridge property must be involved in any redevelopment plan.

Most of us live in Pleasant Ridge because we can't afford to live elsewhere in the area. We aren't complaining about where we live. Pleasant Ridge is our home, and we want to stay there. We love our neighborhood. It's good enough for us. It's a tight-knit neighborhood, full of people who readily help one another. We now have a Pleasant Ridge Neighborhood Association, and it is doing tremendous work on behalf of many of our neediest residents.

For the past three years, we have been living under tremendous stress, not knowing if or when we would be tossed out of our homes. This has been especially tough on our elderly residents, many of whom are in poor health. We were forced into a battle with city government, a battle which never should have begun. If not for the outstanding help of the Institute for Justice, we would have already lost the fight.

I believe a major function of government is to protect people, and that protection MUST include the right to ownership of property. I hope Congress adopts whatever legislation it takes and restricts the use of federal funds to ensure that protection, and prevent other people from enduring a "Pleasant Ridge" battle.

Thank you so much for hearing our story. It means a lot to every person in Pleasant Ridge.