

MINUTES OF THE HOUSE COMMERCE, LABOR AND ECONOMIC DEVELOPMENT
COMMITTEE

The meeting was called to order by Chairperson Mark Hutton at 1:30 pm on Tuesday, February 03, 2015, 346-S of the Capitol.

All members were present

Committee staff present:

Reed Holwegner, Legislative Research Department
Linda Herrick, Kansas Legislative Committee Assistant
Jason Thompson, Office of Revisor of Statutes
Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:

Dennis Mesa, Executive Director, KHRC
Ryan Vincent, Deputy Director and General Counsel, KHRC
Fred Bentley, Co-Director, Moderate Income Housing Program, KHRC
James Behan, Director of Operations and Co-Director, Moderate Income Housing Program, KHRC

Others in attendance:

[See Attached List](#)

Possible bill introductions

Chairperson Hutton asked if there were any bills to be introduced. Eric Stafford, Kansas Chamber of Commerce, asked that a bill be introduced on unemployment insurance.

Representative Dannebohm moved, seconded by Representative Patton, a bill be introduced concerning unemployment insurance. The motion passed.

Presentation on:

Kansas Housing Resources Corporation - Overview and State Initiatives

Dennis Mesa, Executive Director, Kansas Housing Resources Corporation (KHRC), introduced his staff, who will be assisting with today's presentation on KHRC ([Attachment 1](#)). They were: Ryan Vincent, Deputy Director and General Counsel; Fred Bentley, Low Income Housing Tax Credit Program and Co-Director, Moderate Income Housing Program; James Behan, Director of Operations, Human Resources and Co-Director, Moderate Income Housing Program.

Ryan Vincent said KHRC provides housing by serving as the primary administrator of federal housing programs for the State. Funding originates from federal contracts for service and program administration fees. Mr. Vincent provided a short description of some of the programs handled by KHRC. They are: first time home buyer program, moderate income housing program, tenant based rental assistance, emergency housing, weatherization assistance program for low income Kansans, community services, housing tax credits, program compliance and education and training.

CONTINUATION SHEET

MINUTES of the Committee on Commerce, Labor and Economic Development at 1:30 pm on Tuesday, February 03, 2015, 346-S of the Capitol.

Fred Bentley explained the low income housing tax program is the biggest federal government development tool for multi-family housing in the state. The Moderate Income Housing (MIH) program was created in 2012 and is funded through the State Housing Trust Fund. In 2013 and 2014, the Legislature allocated an additional \$2 million per year to continue supporting MIH activities. MIH serves families with moderate incomes that do not qualify for federal programs. In the three years of the program, KHRC received 65 applications from cities and counties requesting \$20,465,590 in MIH funding. By providing \$1 of resources, the return is \$8.

After the presentation, KHRC staff gave the following responses to questions asked by the Committee members:

--Sixty percent of the median income families have annual incomes ranging from \$25,000 to \$95,000. Rural communities are those under 60,000 people. Once approved by the city or county, the city or county becomes the manager of the project. The money may be for infrastructure, rental housing, down payment to purchase a home, assistance for family removed from their home for non-payment of rent.

-- Under the Weatherization Assistance Program, state funds are allocated based on eligibility requirements. For the past several years, grants have been received from utility companies for energy and efficiency and are used when clients do not qualify for federal funding.

-- MIH has reached out to rural communities, particularly in Southeast and Southwest Kansas.

-- Mr. Bentley indicated he would provide information on how much of the \$4 million from the state in the last two years for MIH have been used for infrastructure, land for family homes, and down payments.

-- Mr. Bentley will provide, for the income assistance program, how many people have benefited and how many were turned away because funds were depleted.

-- It was also asked how many persons who are helped with getting funding for housing then leave the community. The response was if the house sells in the first year and a profit is made, those funds are given to the city. If moving in the fifth year, 20% of the down payment is paid back to the city.

-- The housing conference is held every August, and information about the programs is presented. This year, the location is Manhattan.

-- Mr. Bentley noted that renting as opposed to purchasing housing is also an option.

Adjournment

The meeting adjourned at 2:13 p.m. The next meeting will be Wednesday, February 4.