

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman William G. Mason at 3:37 p.m. on February 22, 2000 in Room 522-S of the Capitol.

All members were present.

Committee staff present: April Holman, Legislative Research Department
Lynne Holt, Legislative Research Department
Renae Jefferies, Revisor of Statutes
Bob Nugent, Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee: *Written testimony* distributed from
Irene Hart, Sedgwick County, Div. of Community Dev.
(Attachment 1)
Brian M. Atwell, Living Independent in Northwest Kansas
(Attachment 2)

Others attending: See Attached List

The Chairman noted the cancellation of the hearing on HB 2531.

The Chairman opened the discussion for any action on HB 2971. Bob Nugent, Revisor, distributed a summary sheet of proposed amendments that had been suggested during the hearing by Topeka Independent Living Resource Center, KDOC& H, Kansas Bankers Association and Heartland Community Bankers Association (Attachment 3). Bills with balloons reflecting those suggestions were also distributed to the Committee. He noted that there were two other suggested revisions, received after the hearing, from the Sedgwick County Housing Office and Representative Flora. He reviewed and answered questions regarding the amendments.

Representative Gatewood moved to adopt the amendment suggested by KDOCH on page 2, line 35 and 40, and page 3, lines 1 and 5 to change the percent from 70% to 80%. Representative Kuether seconded. Representative Gatewood stated that this would make the bill conform to the federal requirements and provide consistency. Discussion followed regarding the impact of the change and the scope of the bill. Representative Gatewood called the question. The motion carried.

Representative Gatewood moved to adopt the amendment suggested by KDOCH on page 3, line 22, to strike the department of housing and insert "federal department of housing and urban development". Representative Vickrey seconded and the motion carried.

Representative Gatewood moved to adopt the amendment suggested by KDOCH on page 7, line 35, to add "Fees not required for these expenses and allowances will be transferred to the state housing trust fund." Representative Kuether seconded the motion. Discussion followed clarifying the term "fees" and its use. The motion was defeated.

Representative Kuether moved to amend page 2, line 26 by adding "and to assist Kansas families of low, very low and moderate income in obtaining such housing" to the end of the sentence. This amendment was suggested by the Heartland Community Banks Association. Representative Gatewood seconded. Discussion followed regarding the need for consistency of the language throughout the bill. The motion carried.

Discussion followed regarding the intent of the proposed amendment page 7, line 35 regarding the transfer of fees not required for these expenses and allowances will be transferred to the state housing trust fund. Representative Osborne moved that on page 7, line 33, all language be struck after the word corporation on lines 33, 34 and 35. Representative Compton seconded. Discussion followed regarding the difficulties of following the bill due to the complexity and number of amendments. It was suggested that perhaps it would be better to have the draft re-done, placing all the balloons on the outside on long paper. Time constraints were also discussed. The motion carried.

Representative Vickrey moved that the Heartland Community Bankers Association balloon on page 8, sub-section (b) "The corporation, to the greatest extent possible, shall hire and utilize private businesses in the performance of its powers and duties as prescribed by this act" be added. Representative Findley seconded and the motion carried.

Representative Kuether moved that on page 1, New Section 1 be struck from the bill and start with Section 2. Representative Aday seconded. Discussion followed regarding the intent of that section. Mr. Nugent stated that the inclusion of the amendments offered by the Topeka Independent Living Resource Center would not change the substance of the bill. Representative Kuether withdrew her motion and the second was withdrawn as well.

Representative Aday moved that four amendments suggested by the Topeka Independent Living Resource Center be adopted: page 1, line 42 add after the word decent “.accessible and integrated, page 2, sub-section (g) be struck, page 3, line 27-31 be struck after the word thereto, and page 4, an additional section (8) be added “accessible and integrated means that dwellings shall be designed, constructed or rehabilitated in such a way which allows for all residents to get into and use the dwelling, integrated in various locations throughout a proposed project, which is not for the exclusive occupancy of specific groups or categories of individual”. Representative Beggs seconded and the motion passed.

Representative Vickrey moved the adoption of an amendment suggested by the Kansas Bankers Association to add a new *#3 as follows “participate in lending activities for agricultural or commercial purposes; The following sections would be re-numbered. Representative Campbell seconded. Discussion followed regarding the definition of agricultural or commercial purposes. Representative Vickrey changed his motion to state that the intent is to limit their scope of the loans that they make to residential housing. At Representative Campbell’s suggestion, Representative Vickrey changed his motion again to leave the original amendment (see * above) and add :For the purposes of this act commercial means non-residential. The motion carried.

Representative Kuether moved that the bill be tabled. Representative Campbell seconded and the motion carried. Discussion followed regarding the intent of the motion. It was made in an effort to simplify and clarify the amendments not to kill the bill. It was suggested that the Revisor re-draft the bill with the amendments made that day included. If the bill is blessed, it will come back to the committee for further discussion and action.

The next meeting is Tuesday, February 22, 2000.

The Chairman adjourned the meeting at 5:05 p.m

HOUSE ECONOMIC DEVELOPMENT COMMITTEE
COMMITTEE GUEST LIST

DATE: February 22, 2000

NAME	REPRESENTING
Stan Parsons	Smart & Associates
Matt Goddard	Heartland Community Bankers
Gene Hart	Sedgwick County
Carol Farmer	Desoto USD 232
Pat Owens	WTZ newspaper
Tom Lodge	Pitch Weekly
Loretta Dumb	KS Securities Industry Assn.
Marsha New Smith	K MHA
Kathleen Olsen	KISA



SEDGWICK COUNTY, KANSAS
DIVISION OF COMMUNITY DEVELOPMENT

IRENE HART
Director

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Mr. Bill Mason, Chairman
Committee on Economic Development
Kansas House of Representatives
State Capital Building
Topeka, Kansas

Dear Mr. Chairman,

Since owner-occupied single family housing is being taken care of by the private sector and the Sedgwick/Shawnee County Mortgage Revenue Bond Program, our proposed amendments to HB 2971 are for the purpose of eliminating the corporation's authority to issue single-family mortgage revenue bonds, while maintaining the authority to issue multifamily-revenue bonds. This change allows the corporation to concentrate on rental housing for low and moderate income families using multi-family mortgage revenue bonds, and would avoid duplication between the corporation and existing programs.

We assure the committee that the Sedgwick/Shawnee County program provides service to rural areas in a very similar manner as the Missouri, Colorado, and Oklahoma Housing finance agencies. In testimony, Mr. Bishop said our 1999 program covered 17% of Kansas Counties. It actually covered 62% of Kansas Counties, compared to coverage of 65% in Missouri and 59% in Oklahoma for similar programs.

Thank you for the opportunity to provide additional information.

Sincerely,

Irene Hart

ECONOMIC DEVELOPMENT COMMITTEE
FEBRUARY 22, 2000
ATTACHMENT 1



Living Independently in Northwest Kansas

2401 E. 13th Street
(785) 625-6942(V/T)

Hays, KS 67601
(785) 625-6137 (FAX)

Written Testimony in Opposition to HR 2971

Submitted to the House Economic Development Committee

Rep. William G. Mason, Chair

February 21, 2000

By Brian M. Atwell, Executive Director

Living Independently in Northwest Kansas, Inc. (LINK) is a Center for Independent Living providing services and advocacy for people with diverse types of disabilities in Northwest Kansas. Our mission is to assist persons with disabilities to live as independently as they choose within their communities and to promote the civil rights and full integration of people with disabilities in our society.

LINK opposes the sections of HR 2971 that confuse the urgent need for affordable, accessible housing in the state with a perceived need for "facilities." LINK strongly believes that the provision of services that individuals may need must be provided separately from their arrangements for housing. Most people prefer to live in their own homes, with the assistance they may need, rather than be segregated and warehoused in group homes, congregate living facilities, nursing homes, or other facilities. The current language of HR 2971, however, strongly promotes the continuation of support for such segregated environments or facilities.

LINK does not oppose the intent of the bill to establish a state housing corporation and to identify and address the severe housing shortage – including that of accessible, affordable housing – in the state. However, LINK opposes all language of the bill that inaccurately identifies a need for more facilities and institutions when, from our perspective, there is a true need for more housing and community-based services that enable persons with disabilities to remain in their own homes.

Thank you for your consideration of these comments. Please do not hesitate to contact me if I can answer any questions.



LINK, Inc. also has offices in Hill City, Colby, Osborne and Great Bend

HB 2971 Recommendations

Topeka Independent Living Resource Center

- Page 1, line 42, after the word “decent” insert “, accessible and integrated”
- Page 2, strike all in lines 12 through 22
- Page 3, strike all in lines 23 through 31 and insert “(6) “residential housing” or “development” means specific work undertaken primarily to provide dwelling accommodations for persons and families, including the acquisition, construction or rehabilitation of land, buildings and improvements.”
- Page 4, before line 3, insert “(8) “accessible and integrated” means that dwellings shall be designed, constructed or rehabilitated in such a way which allows for all residents to get into and use the dwelling, integrated in various locations throughout a proposed project, which is not for the exclusive occupancy of specific groups or categories of individuals.”

Kansas Department of Commerce & Housing

- Page 2, line 35 - change “70%” to “80%”
- Page 2, line 40 - change “70%” to “80%”
- Page 3, line 1 - change “70%” to “80%”
- Page 3, line 5 - change “70%” to “80%”
- Page 3, line 22 - change “department of housing” to “federal department of housing and urban development”
- Page 4, line 3 - asks: Does this bill create a new entity or utilize the existing corporation?
See page 4, New Section 3 and page 8, lines 26 through 29
- Page 4, line 26 - asks: Does this bill identify and coordinate the term to be used for the chief operating officer - executive director or president?
See page 4, lines 42 and 43, and page 5, lines 1 and 2
- Page 7, line 35 - after “incurred”, insert “. Fees not required for these expenses and allowances will be transferred to the state housing trust fund”

Kansas Bankers Association

- Page 3, strike lines 7 through 10 because if new section 2, subsection (b)(3), contains the definition of what a “distressed community” means, as is done in subsection (A) and (B), then subsection (C) might be unnecessary as it would make the program available to any city which is trying to attract an employer which would result in a lack of sufficient housing to accommodate the employer.
- Page 3, lines 20 through 25, new section 2, subsection (b)(5), - Suggest using terms and definitions with which lenders are familiar. The Housing and Urban Development (HUD) rules use the terms, “low-income”, “moderate-income”, and “middle-income”. “Low-income” is defined as less than 50% of the area median income; “moderate-income” is at least 50% and less than 80% of the area median income; and “middle-income” is at least 80% and less than 120% of the area median income.
- Page 9, lines 12 through 28, new section 4, subsection (c), - Requests an express prohibition against engaging in other types of lending such as agricultural or commercial.

Heartland Community Bankers Association

- Requests the Legislature to specifically state in the statute that the intent of HB 2970 and the newly created Corporation is to assist low- to moderate-income households.
- Page 3, lines 20 through 22 - Requests that the terms “low income”, “very low income” and “moderate income” be defined as used by a number of federal agencies. Traditionally “low income” is defined as 80% of median family income for the area, “very low income” is defined as 50% of the median family income for the area and “moderate income”, although there is an occasional variance, is generally considered to be 115 % of the median family income for the area.
- Requests language in the bill that:
“It is the intent of the Legislature that the authority shall, to the greatest extent possible, hire and utilize private business firms in the performance of its duties as authorized by this chapter.”