

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on January 18, 2008 in Room 123-S of the Capitol.

All members were present except:

Senator Jay Emler - excused
Senator Steve Morris - excused
Senator Jean Schodorf - excused
Senator Mark Taddiken - excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Jason Long, Assistant Revisor of Statutes
Kristen Clarke Kellems, Assistant Revisor of Statutes
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Amy VanHouse, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Senator Derek Schmidt
Representative Dennis McKinney
Jeff Morris, City Manager, Coffeyville
Randy Riggs, City Manager, Chanute
Dick Lock, Councilman, Erie
Kim Alderfer, Assistant City Administrator, Greensburg
Jeanette Siemens, Kiowa County Economic Development
Paul Sasse, City Manager, Independence
Dennis Pruitt, Director, Montgomery County Action Council
Judy Brigham, City Administrator, City of Iola
J. D. Cox, Neodesha
Steve Lightle, CPA, Coffey County Housing Executive Director
Ashley Jones, Local Initiatives Support Corporation
Stephen R. Weatherford, President, Kansas Finance Development Authority and Kansas Housing Resources Corporation

Others attending:

See attached list.

Bill Introductions

Senator Steineger moved, with a second by Senator Wysong, to conceptually introduce two bills, one, concerning Municipalities; consolidation and reorganization; political and taxing and second, political and taxing subdivisions; budgets; filing electronically (7rs1801 and 7rs1803). Motion carried on a voice vote.

The Chairman opened the public hearing opened on:

SB 417--Establishing a housing development grant program; waiving certain requirements for rural housing incentive district creation

A Staff briefing was given on the bill by Jason Long, Assistant Revisor, Office of the Revisor of Statutes (Attachment 1). A Staff briefing on the State Gaming Revenues Fund (SGRF) Overview was given by Julian Efird, Principal Analyst, Kansas Legislative Research Department (Attachment 2).

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on January 18, 2008 in Room 123-S of the Capitol.

The Chairman welcomed the following conferees on the bill:

Senator Derek Schmidt described the nature of the disaster in his area and the background of why the bill was introduced (Attachment 3). He noted that something needed to be done about housing in the area and the ability to have this part of Kansas still be an economic and growing area. The goal was to have a common response with others in Kansas such as Greensburg where a tornado damaged the town. In addition, Senator D. Schmidt noted that a tax credit bill was introduced.

State Representative Dennis McKinney, explained that the housing was critical to get the workforce back in Greensburg (Attachment 4). The concern is how to get people back into houses at an affordable mortgage. Representative McKinney emphasized that their hope is to rebuild the community and assuring that it will be a community people will be proud of in Kansans.

Jeff Morris, City Manager, Coffeyville (Attachment 5). Mr. Morris explained that Coffeyville had such major damage in floods that was like nothing that had been seen in 139 years. Coffeyville now has a serious crisis in housing shortages. Their major jobs are manufacturing and industrial, so mortgages need to be affordable. Their hope is to bring their residents back home to Coffeyville.

Randy Riggs, City Manager, Chanute, (Attachment 6). Mr. Riggs reported that the proposed legislation can be part of the multi-faceted puzzle small communities must put together. Their issue is that their area is not attracted to developers for investments for economic development. It directly influences the quality of their workforce. The City of Chanute has started developing new housing units in a subdivision and they anticipate that revenues from lot sales will not cover anything near what they need to cover the costs. In closing, he noted that pro active ideas are a needed stimulus for rural Kansas and there is a need to be creative about the whole topic.

Dick Lock, Councilman, Erie, in Neosho County, explained that the flood was the most disastrous one in their area. They are now annexing for displaced people that were in the flood plain through FEMA. Mr. Lock noted that they are a bedroom community between Parsons and Chanute. They lost their grocery store and it has not come back yet and their senior center was displaced. Revenues were lost through the disaster. The money through this bill would improve current infrastructure. (No written testimony was submitted.)

Kim Alderfer, Assistant City Administrator, City of Greensburg (Attachment 7). Ms. Alderfer reported that they do not have anything to offer that is anything different than the other counties in the State of Kansas to entice a business because there is no housing. She noted that housing will be a big issue because they have a bio-diesel plant scheduled to be built within three to five years and that the community is committed to rebuild.

Jeanette Siemens, City of Greensburg, Economic Development Director, explained that any grants or incentives in the housing area would be appreciated (Attachment 8). There is a lack of housing; therefore, it is not an incentive for people to come to Greensburg. It makes housing so critical because they do not have it at this time. The people in Greensburg have made a commitment to rebuild. Senator Teichman expressed concern that many people have moved away from Greensburg. She noted that people need to come back into these areas and it is necessary to rebuild.

Paul Sasse, City Manager, Independence (Attachment 9). Mr. Sasse reported that the flood exceeded the worst flooding event in Independence history. It exceeded the designated 500 year event (2/10% chance of happening in a year). The flood damage of existing residential structures significantly reduced their already stressed housing stock. They have been advised by industries that the lack of available housing will continue to impact their ability to sustain and continue to grow their operations in Independence. Mr. Sasse expressed that his biggest concern is that industries have been attracted, but their employees may not have housing where they can live. Mr. Sasse detailed information in his written testimony regarding the impediments to developments of new housing.

Dennis Pruitt, Director of the Montgomery County Action Council (Attachment 10). Mr. Pruitt explained that Montgomery County has had a shortage of employees prior to the 2007 floods, and unless the population

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on January 18, 2008 in Room 123-S of the Capitol.

gains are realized in the near future, the workforce deficit will cause severe economic damage in the future and a hardship. Several quotes are listed in Mr. Pruitt's written testimony from a number of industries in their area about concern of economic development. Some solutions are suggested in the written testimony.

Judy Brigham, Iola, City Administrator ([Attachment 11](#)). Ms. Brigham reported that their major issue is the housing and getting people into the area to build new housing. She noted that the concern is the same as those that have testified before her. The City of Iola depends greatly on their industrial partners and they are that housing is a concern. Ms. Brigham explained that they stand to lose neighborhoods. She noted that the proposed bill gives hope to the tornado and flood-affected areas.

J. D. Cox, Neodesha, explained that having housing for people affected in Neodesha by the flooding is very important and they have a bad situation ([Attachment 12](#)). Mr. Cox noted that it was the worst flood they ever had. They are surrounded by two rivers and during the flooding they were as an island. In regard to housing, it is critical that of 1,100 residential homes in the area, 112 were flood-damaged. In reference to economic development there needs to be solutions to live in the communities where they work and they are looking to long-term solutions.

Steve Lightle, Coffey County Housing Executive Director, reported that they have a family from Coffeyville currently living in Burlington and he expressed concern that this family wants to go back home ([Attachment 13](#)). He also noted that Coffey County was fortunate in that it did not sustain the extent of damage that was done in the Greensburg and southeast Kansas areas. They did not lose any homes to the disasters. He expressed concern that Coffey County would not benefit directly for at least three years from the proposed legislation.

Ashley Jones, LISC of Greater of Kansas City, Assistant Program Officer, explained that LISC is a program area of the Local Initiatives Support Corporation, the nation's largest community development organization ([Attachment 14](#)). She noted that they are dedicated to revitalizing urban core and rural neighborhoods. She noted that it was apparent that housing was a problem in Kansas before the disasters, but now it has been elevated to a crisis level. LISC supported **SB 417**.

Steve Weatherford, Kansas Development Finance Authority, was present and spoke in regard to how to administer the bill ([Attachment 15](#)). He is president of KHRC whose mission is to provide housing opportunities across the state. The disasters in some of these areas has turned the situation into a crisis. Mr. Weatherford requests two changes in the bill:

- Since KHRC does not receive an annual operating appropriation from the State, administrative costs for operating the Initiative would need to come from the designated funding. They requested that the Committee add a provision explicitly allowing a modest administrative fee for both KHRC and the successfully funded communities.
- KHRC recommends that the funds from the Housing Development Grant Fund Program be deposited into the State Housing Trust Fund with direction to use the funds for the purposes described in the bill.

The Chairman thanked Steve Weatherford for his assistance in helping draft the bill and thanked the conferees for spending a good share of the day with the Committee.

Written testimony was received from the following individuals:

Doug Wareham, Sr. Vice President-Governmental Relations, Kansas Bankers Assn ([Attachment 16](#))
Matthew Goddard, Heartland Community Bankers Association ([Attachment 17](#))
Luke Bell, Director of Governmental Relations, Kansas Association of Realtors ([Attachment 18](#))
Martha Neu Smith, Executive Director, Kansas Manufactured Housing Assoc ([Attachment 19](#))
Chris Wilson, Executive Director, Kansas Building Industry Association ([Attachment 20](#))
Philip Dudley, Mayor, City of Osawatimie ([Attachment 21](#))
Ron Gaches, on behalf of the Kansas Association of Mortgage Brokers ([Attachment 22](#))
Steve Hewitt, City Administrator, Greensburg ([Attachment 23](#))

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Phil Perry, Dir., KS Governmental Affairs, Home Bldrs. Assn. of Kansas City (Attachment 24)

The Chairman closed the hearing on **SB 417**.

The meeting adjourned at 12:45 pm. The next meeting was scheduled for January 22, 2008. .

**SENATE WAYS AND MEANS
GUEST LIST**

Date January 18, 2008

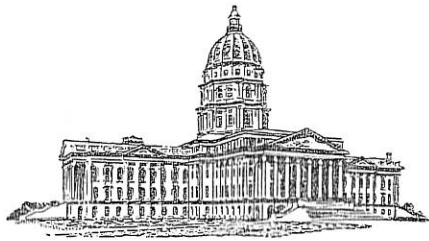
NAME	REPRESENTING
Mike Huttles	CLO
Richard Koch	CITY ERIE
Julia Thomas	DOB
PHIL PERCY	HBA of GKC
Paul Johnson	Ks. Cath Conf
Ka Geches	GBRA
Dan Morin	Ks Medical Society
John Berkelin	Pinsler, Smith & Assoc.
Marilyn Nichols	Ks. Register of Pleads Assoc.
Janice Ann Smith	KMHA
Chris Wilson	KBIA
Luke Bell	Ks Assoc. of REALTORS
Cindy Green	KC Regional Assoc. of REALTORS
Dennis Pruitt	Montgomery Co. Action Council
JEFF MORRIS	CITY OF COFFEYVILLE
Ed Huey	LITTLE ROCK RELATIONS
Paul S. Asse	City of Independence
Ryan Vincent	Kansas Housing Resources Corp.
Norma Phillips	Ks Housing Resources Corp.
Judy Brigham	City of Topeka
Cheryl [unclear]	Greater Kansas City LIJC
Tommy Smith	Pinsler, Smith & Associates
Jenny Weident	City of Erie

**SENATE WAYS AND MEANS
GUEST LIST**

Date January 18, 2008

NAME	REPRESENTING
Linda Keidest	City of Erie
John S. Sull	City of Erie
Austin Hayden	Hein Law Firm
Effie Swanson	Senator Derek Schmidt
Rochelle Chronister	Nerdzhen
J.D. [unclear]	City of Neodesha
[unclear]	City of Neodesha
Andy Schlapp	Seedswick County
Matthew Goddard	Heartland Community Bankers Assoc.
Steve [unclear]	COFFEY COUNTY HOUSING
Catherine Coucl	KS Housing Resources
MARK BOZAN / GK	CAPITOR STRATEGIOS

ANN TORRENCE, ATTORNEY
REVISOR OF STATUTES
JAMES A. WILSON III, ATTORNEY
FIRST ASSISTANT REVISOR
GORDON L. SELF, ATTORNEY
FIRST ASSISTANT REVISOR



OFFICE OF REVISOR OF STATUTES
KANSAS LEGISLATURE

Legal Consultation—
Legislative Committees and Legislators
Legislative Bill Drafting
Legislative Committee Staff
Secretary—
Legislative Coordinating Council
Kansas Commission on
Interstate Cooperation
Kansas Statutes Annotated
Editing and Publication
Legislative Information System

Briefing on 2008 Senate Bill 417

Jason B. Long
Assistant Revisor
Office of Revisor of Statutes

January 18, 2008

Background

Senate bill 417 makes several amendments to the Kansas Rural Housing Incentive District Act (the Act). This Act, enacted in 1998, authorizes rural cities and counties to create housing incentive districts to assist in financing public improvements necessary to support housing development and renovation in those communities. The Act is limited to any city with a population of less than 40,000 in a county with a population of less than 60,000, or any county with a population of less than 40,000.

The basic structure of the Act is similar to tax increment financing and STAR bond financing. The city or county first establishes an incentive district and creates a plan for the development or redevelopment of housing within that district. The city or county may then issue special obligation bonds to finance the costs of land acquisition and construction or improvement of infrastructure to support the housing development. Bond proceeds cannot be used for the construction of any buildings to be owned by or leased to a developer. The primary revenue source for paying off the bonds is property tax increments generated from an increase in the property taxes on any property located within the district.

Procedural Exemption

The Act requires city and counties to follow several procedures in establishing the incentive district. K.S.A. 12-5244(c) requires approval of creation of a district by the secretary of commerce. K.S.A. 12-5245(b), (c) and (d) require a public hearing on the proposed development plan and notification of the plan to any city located within three miles of the district, the county and the board of education of any school district in which the district is to be located. Finally, K.S.A. 12-5246 allows such city, county or board of education to nullify the plan if it is determined that the plan would adversely affect that city, county or school district.

Section 3 of SB 417 exempts cities in disaster areas from having to comply with these particular provisions. Specifically, cities in tornado and flood disaster areas from last year are exempt, as well as, any city that after January 1, 2008, is determined by the governor to be a state of disaster. For cities that are included in the 2007 declarations the exemption lasts until July 1, 2013. For all other cities the exemption lasts for a period of five years from the date of the declaration of the state of disaster. Exempt cities are still required to comply with all other requirements of the Act.

Grant Program

SB 417 also establishes a new grant program to be administered by the Kansas Housing Resources Corporation (the Corporation). This program is designed to allow the Corporation to award grants to eligible cities to assist in the development of housing in those communities. The grant program is to be funded out of a special grant fund established as a separate fund within the state treasury. The grant fund is to be funded by a \$4,000,000 transfer from the state gaming revenues fund.

Section 8 of the bill provides that prior to July 1, 2011 eligible cities include only those cities which are located in counties that were included in the FEMA disaster declarations for the tornado and flood areas in 2007, or which are designated as exempt by the governor because they have been declared a state of disaster after January 1, 2008. After July 1, 2011, all rural cities as that term is defined in the Act will be eligible to receive grant funds.

Section 4 gives the Corporation the discretion to structure the application and grant award process as the Corporation sees fit. There are, however, two statutory requirements. First, the requesting city must certify that it will provide at least a 10% match on grant funds requested for the construction or rehabilitation of infrastructure, and at least a 50% match on grant funds requested for construction of new residential housing by a city housing authority. These matches can be provided either in the form of money or in-kind labor and services of an equivalent value.

The second requirement is that grant funds can only be used for certain housing development activities: (1) The construction or rehabilitation of infrastructure necessary to support the construction of new residential housing; or (2) the construction of new residential housing if a city housing authority is conducting the construction. Grant funds cannot be used for any other purposes. Also, there is a limit of \$50,000 that may be expended out of grant funds on the construction of a single-family home. This limitation excludes infrastructure costs.

Section 5 of the bill requires each grant recipient to provide a performance and evaluation report on the use of grant funds to the Corporation when requested by the Corporation. The report must include an evaluation of housing development activities and the use of grant funds for such activities and the nature and reasons for any changes in such activities from what was initially stated on the grant request application. This section also requires that on at least an annual basis the Corporation must conduct audits and reviews of housing development activities that were granted funds. The final results of any audit must be reported by the Corporation to the legislature, the governor and the secretary of revenue during the legislative session immediately following the audit.

Additional Amendments

Section 2 of the bill amends K.S.A. 12-5246(c)(3). As the law currently reads, paragraph (3) is an incomplete thought. The amendment simply completes the provision so that it is in accordance with paragraphs (1) and (2) of subsection (c).

Sections 10 and 11 amend K.S.A. 79-4803 and 79-4804 to provide that the transfer of funds out of the state gaming revenues fund to the grant program fund shall be made first before other transfers are made out of the state gaming revenues fund.

State Gaming Revenues Fund (SGRF) Overview

The State Gaming Revenues Fund (SGRF) receives a portion of state revenue from the Lottery and parimutuel wagering in monthly transfers. In recent years, no transfers have been made from parimutuel revenue to the SGRF because of cash flow problems in the State Racing Fund. The SGRF is used essentially as a collection account from which further transfers are made on a monthly basis. Not more than \$50.0 million may be credited to the SGRF in any fiscal year. Amounts in excess of \$50.0 million are credited to the State General Fund.

The initial transfers from the State Gaming Revenues Fund, which began in 1986, were as follows:

1. County Reappraisal Fund (until June 30, 1989) - 30.0%
2. Split between Juvenile Detention Facilities Fund and Correctional Institutions Building Fund (Actual amount to be determined by appropriations act) - 10.0%
3. Economic Development Initiatives Fund (to be increased to 90.0% as of July 1, 1989) - 60.0%

During the 1988 Session, the Legislature delayed the increase in the transfer to the EDIF until July 1, 1990.

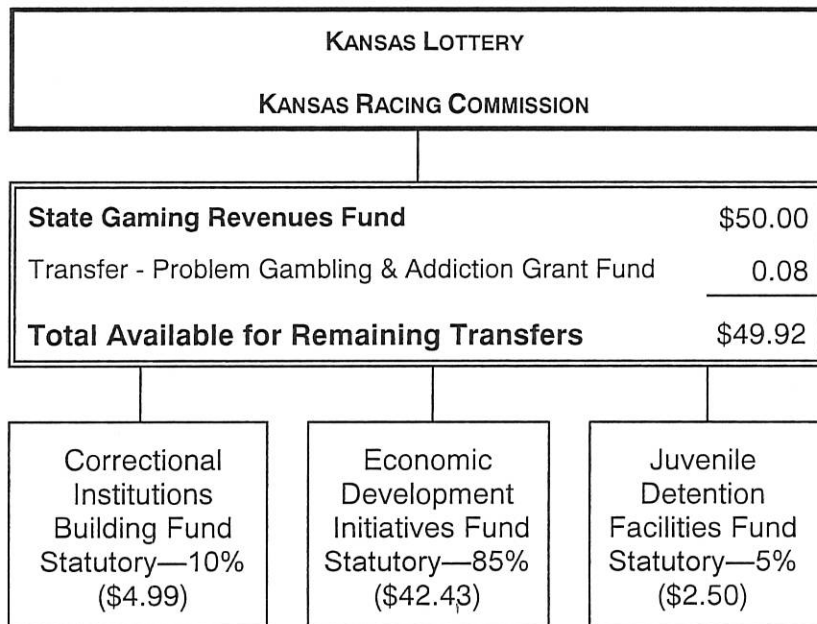
During the 1994 Session, the Legislature changed the transfers as of July 1, 1995 to the following:

1. Correctional Institutions Building Fund - 10.0%
2. Juvenile Detention Facilities Fund - 5.0%
3. Economic Development Initiatives Fund - 85.0%

During the 2000 Session, the Legislature changed the transfers to the following:

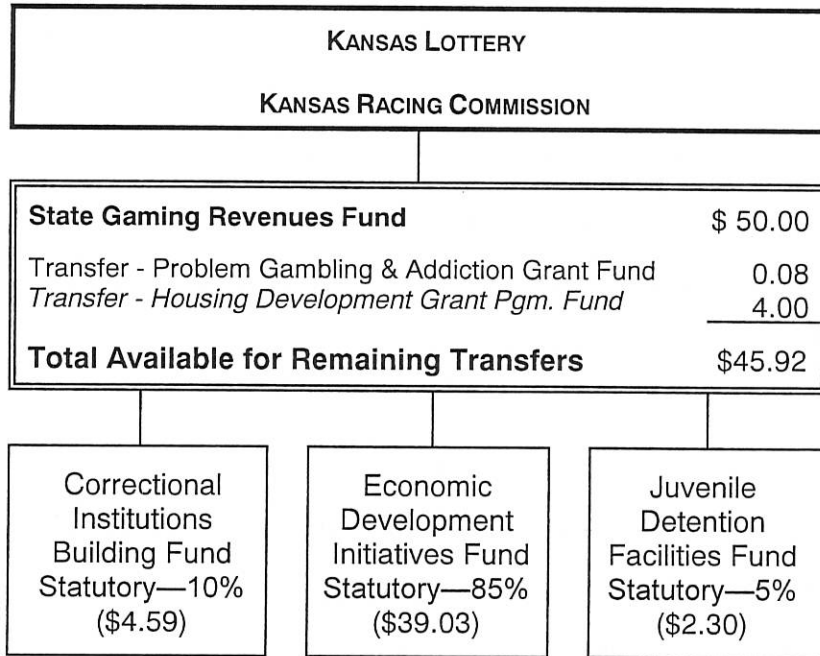
1. Economic Development Initiatives Fund—\$42,432,000;
2. Correctional Institutions Building Fund—\$4,992,000;
3. Juvenile Detention Facilities Fund—\$2,496,000; and
4. Problem Gambling Grant Fund—\$80,000.

**Current
STATE GAMING REVENUES FUND
Revenue Flow
(In Millions)**



SB 417 as introduced would modify the distribution formula in KSA 79-4803 and 79-4804 to require an initial transfer out of the SGRF prior to any other transfers, except the one to the Problem Gambling and Additions Grant Fund (renamed by 2007 legislation). The following chart shows the change on other fund transfers that would result from the **SB 417** procedure requiring a transfer of \$4.0 million to the Housing Development Grant Program Fund on July 1 of each fiscal year.

**Proposed
STATE GAMING REVENUES FUND
Revenue Flow
(In Millions)**



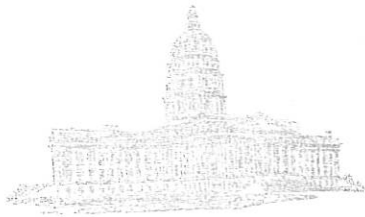
SB 417 also would require any interest earned on the balance in the Housing Development Grant Program Fund would accrue to that fund and not to the State General Fund.

Capitol Office

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Independence, Kansas 67301-0747
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Senator Derek Schmidt
Majority Leader

Committee Assignments

Chair: Confirmation Oversight
Vice Chair: Assessment & Taxation
Organization Calendar & Rules
Member: Judiciary
Agriculture
Legislative Post Audit
Message Only (800) 432-3924
Fax: (785) 296-6718
Email: schmidt@senate.state.ks.us

Testimony in support of Senate Bill 417
By Senator Derek Schmidt
January 18, 2008

Mr. Chairman, members of the committee, thank you for the opportunity to appear before you today in support of Senate Bill 417.

As you know, Kansas endured major disasters last year. The central Kansas tornadoes and the southeast Kansas flooding destroyed hundreds of homes. The final count, I believe, will exceed 2,000. Even today, more than half a year after the disasters, most of those Kansans displaced remain in temporary housing options. FEMA trailers, living with relatives, and residing in temporary homes are still common in the flood-affected areas of Southeast Kansas and in tornado-ravaged Greensburg.

I will speak principally on the dynamics in the flood affected region because that is my home. But, as Senator Teichman will attest, the dynamics are similar in the tornado-damaged region.

In less than a week after the flooding, several of us who represent the flood-affected areas gathered in the governor's office to begin discussing the state's response. Senator Roberts joined us so we could coordinate with the federal effort from the beginning. It became apparent from that first meeting that the single most important assistance we could provide for the region's long-term recovery would be help in jumpstarting housing construction in the flood-affected communities.

Soon after that, members of the governor's cabinet toured the flood-affected area. They heard time and again that the region's top recovery priority is to tackle the need for new housing. The Special Committee on Disaster Relief and Recovery visited the flood-affected area later in the year. Committee members heard loud and clear that the region's top need is clear – new housing. That message has been repeated time and again by the region's leaders in the months since the disaster. I hear it wherever I go in the region. You will hear that message directly from several regional leaders later this morning.

Toward that end, we took steps this past fall in the State Finance Council by authorizing the transfer of millions of dollars from state emergency funds to the Housing Trust Fund. The Kansas Housing Resource Corporation is using those dollars to bolster their existing housing-development efforts in the flood-affected areas. But the reality is that the lack of modern workforce-affordable housing in Southeast Kansas long predated this past summer's floods. Most primary employers in the region have long cited the availability of adequate housing, and therefore the availability of workforce, as the single biggest impediment to their plans for long-term growth in the region.

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1-18-08
Attachment 3

That longstanding problem was transformed into a crisis by the destruction of the summer floods. Just adding more money to the programs already in place is not likely to be sufficient to seriously address the problem. We now have the opportunity to address that problem with this new initiative, which complements existing state programs. This initiative will help the flood-devastated region to recover. If we succeed, the region will remain a strong contributor to the state's economy. If we fail, the region is likely to enter a long period of slow decline in which major employers will expand elsewhere, population will continue to decline, and the drain on the state treasury through increased demand for social services will increase. It is in the state's overall interest to help this region help itself now.

To that end, the 19 legislators – Senate and House, Republican and Democrat, came together through the summer and fall and developed a comprehensive package of recovery legislation for the flood-affected areas and for the tornado-affected areas. We unanimously endorsed that package of legislation in November. Senate Bill 417 is a centerpiece of that effort. Other, smaller components will come before this committee later this year as part of the annual appropriations process. Today's legislation would establish a new Housing Development Block Grant program. It would create a permanent revenue stream of \$4 million per year to finance this program by raising the cap on the lottery proceeds by that amount and dedicating those lottery funds to the new block grant program. The Kansas Housing Resources Corporation would administer the program. Proceeds could be used for grants that would go to local units of government for the cost of infrastructure development necessary to spur new housing construction. If a city housing authority is itself acting as a developer, it also could apply for grant funds for a portion of the construction costs. Local matching funds would be required.

For the first three years, only communities in the disaster-affected areas could apply for grants under this new program. After that, any rural community in the state – as defined in current law in the Rural Housing Development District Act – would be eligible to apply. In that way, this is a permanent contributor to solving the difficult problems of housing needed in rural communities. The bill also would streamline the application process for disaster-affected communities that want to use the tax increment financing (TIF) authority in the existing Rural Housing Development District Act. By making it easier for these communities to access that existing TIF authority, we believe this legislation will again help those communities to help themselves.

Mr. Chairman, those of us from the disaster-affected areas are hopeful this legislation can move quickly through the legislative process. My personal hope is that we can have it on the governor's desk by early February. This urgency is important because of the large number of Kansans still living in FEMA trailers, still living with friends or relatives, still displaced by the summer's disasters. They have waited patiently for more than six months while we have told them help is on the way. The storm-damaged communities have waited patiently in executing their redevelopment plans because we have told them help is on the way.

This bill is the start of that help. We need to get it on the way. For that reason, I am hopeful we can keep this bill clean of amendments that would bring into it other issues that have not had the scrutiny and are not part of the consensus developed by the legislators from disaster-affected areas. This year, in my view, should be the year the state makes significant new commitments to housing development in all of the areas of Kansas that need it. There are other good ideas that can contribute to that goal. But those ideas should not, in my view, hitch a ride on this disaster-relief bill.

Let's get this bill on the governor's desk. Then we can work together to build a consensus on next steps. Thank you for your consideration, and I would be happy to answer questions.

January 17, 2008

Rep. Dennis McKinney
Kansas House of Representatives

Re: Hearings on Housing Block Grant Bill
Committee on Ways and Means
Friday, Jan 18, 2008



P.O. Box 877
GREENSBURG, KS 67054
888-656-3356
(620) 723-3356
(620) 723-2716 FAX
www.centerabank.com

A deficit of available and affordable housing in Greensburg remains a huge concern to us as housing goes hand in hand with business recovery. Housing needs to be affordable and available to provide a stable work force.


Prior to the storm, the John Deere dealership, BTI-Greensburg, employed approximately 30 people. Seventy to eighty percent of those lived in Greensburg or the close surrounding vicinity. After the storm, their total work force in Greensburg reduced by about a third and approximately half of those still employed are currently living in other communities. BTI's goal is to bring staff back up to pre storm levels. Many of their employees desire to move back but will need affordable and available housing. In the mean time dollars are being spent elsewhere and employees need additional time and money to commute.

We have and will continue to have need for a large temporary construction force working in Greensburg. We do not have adequate housing facilities for all of them. Time and money are lost as they are not able stay locally. This can have adverse affects on overall availability of workers and ultimately cost of construction.

I have visited with a few people who moved away after the storm and are not working here but would like to come back. Some are retired and just want to come back "home". They don't want the hassle of building a new house on their own but would come back if an affordable solution was available. Others want to come back and seek work here but aren't ready to own a home and would need affordable rentals.

The business community is determined to rebuild for a bright future here. There is a very positive energy and attitude across Kiowa County regarding the future and we will continue to work hard. Some affordable housing projects are in the works but more will be needed. You and your colleagues in the legislature have also worked tirelessly in the aftermath of several disasters across Kansas. We truly appreciate all you have done. We look forward to working together with you on solutions to these difficult issues. Thank you.

Sincerely,



Stephen Kirk
VP

Kansas Senate

Ways and Means Committee

January 18, 2008



Senate Ways and Means
1-18-08
Attachment 5

Senate Ways and Means Committee
January 18, 2008

RE: SB 417

Chairman Umbarger and other members of this committee, I am Jeff Morris City Manager of Coffeyville located in Montgomery County in Southeast Kansas.

On June 30th of 2007 Coffeyville experienced a major flood event unlike any other in its 139 year existence. Verdigris River flood waters exceeded the height of the levee that was built to protect our city by nearly four (4) feet. The flood waters covered approximately 25% of our community. To make matters worse, the flood waters also brought 90,000 gallons of oil into our community.



The damage left behind as the waters receded was devastating. Water entered 549 residential and commercial structures in our community damaging over 400 homes and 72 businesses including 6 hotels, 5 restaurants, 4 convenience stores/gas stations, 2 mobile home parks, a grocery store and 3 churches.

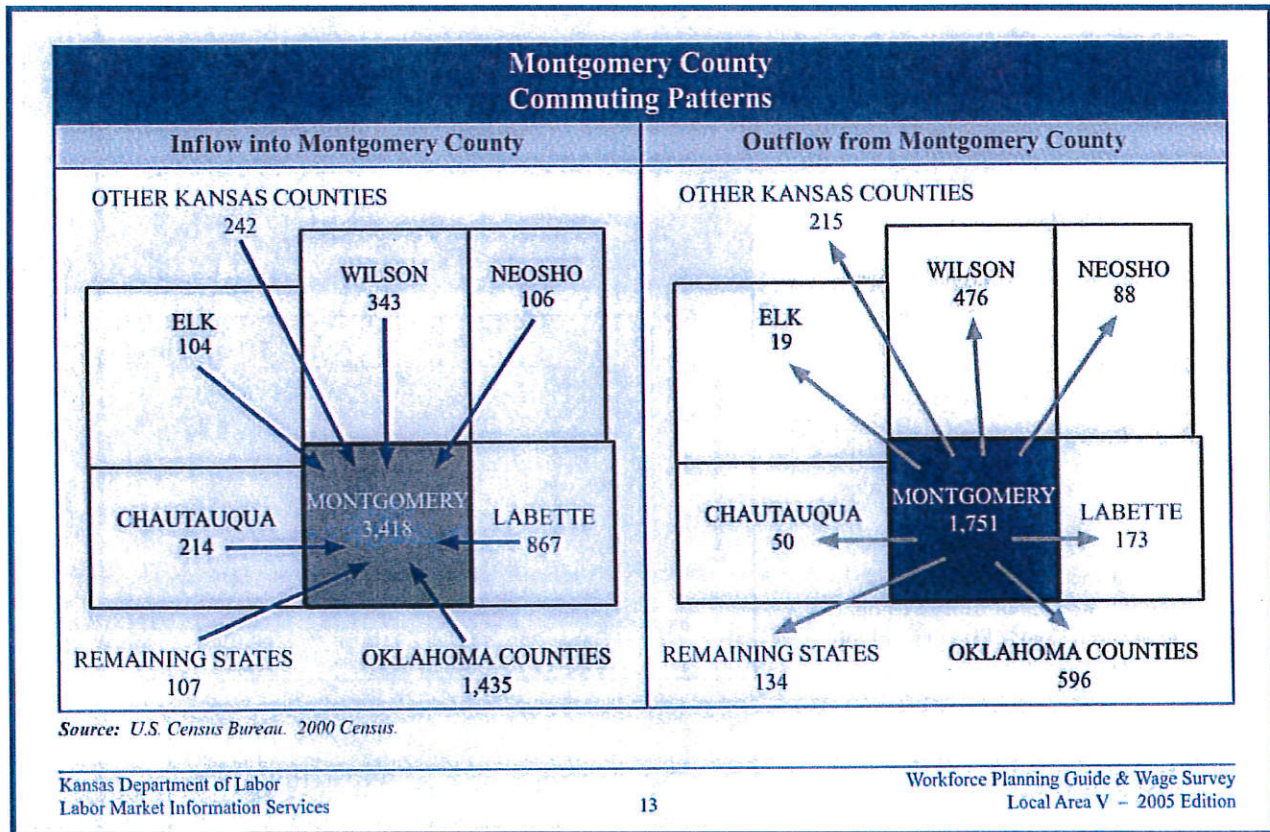
The City has lost approximately 10% of its housing stock. Owners of residential structures impacted by oil were given an option to sell their property to Coffeyville Resources Refinery at

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January 18, 2008**

110% of the pre-flood fair market value. To date, 312 home owners in Coffeyville have taken advantage of that opportunity and demolition has begun. While this option has helped many families financially due to the fact very few had flood insurance, and that FEMA's programs were not established to make people whole on their losses, Coffeyville has very few places for them to reinvest in a home. As I've said before, Coffeyville and Montgomery County had a housing shortage prior to the flood, and we now have a crisis.



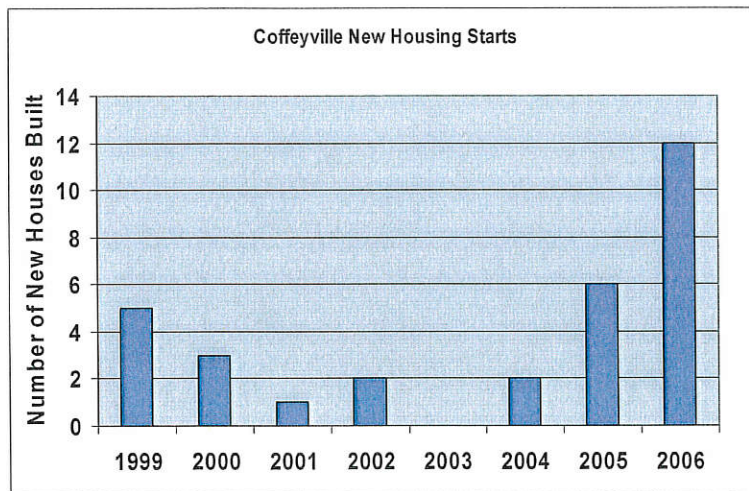
Coffeyville and Montgomery County have been very successful in recruiting and working with existing industry in the last 10 -12 years creating new jobs. Even with all of our success with job creation, we have not fully capitalized on that growth due to a lack of adequate, affordable housing. Evidence of this fact is shown on the chart below.



Population has continued to decline while more and more workers are commuting from other areas. According to census records 3,418 workers come into Montgomery County each day to work, while 1,751 workers leave the county to work. It is interesting to note that 45% of workers coming into Montgomery County on a daily basis come from outside the State of Kansas. Again, this is evidence that Montgomery County and the State of Kansas are not reaping all of the benefits from the investments they have made to assist in creating the jobs.

**Senate Ways and Means Committee
January 18, 2008**

Coffeyville had seen very few new housing starts between 1999 and 2004, as shown on the chart below, but had begun to turn the tide in 2005 and 2006 by working with local builders constructing one or two homes at a time. This was accomplished through the establishment of Neighborhood Revitalization Areas providing ad valorem property tax rebate incentives, and establishing a Free Land program offering residents a free lot owned by the City of Coffeyville if they committed to construction of a home. In addition, the City of Coffeyville is waiving fees for residential water and sewer taps for new construction.



However, this growth had reached a road block in 2007 as nearly all of the suitable infill lots had been consumed. The remaining lots do not have the necessary infrastructure to the site. Developers have stated that bearing the cost of the infrastructure make the homes unaffordable for the majority of buyers in our community. This is due to the fact that the majority of the jobs in the Coffeyville area are industrial and manufacturing type jobs with pay starting in the \$9 - \$15 per hour range. With the combination of moderate wages and new construction costs of \$100 per square foot, there is no room for special assessments to pay for infrastructure.

Now the flood has eliminated another 400 homes from the market and we must rebuild. Coffeyville Resources will not allow housing to be rebuilt on the property they purchased in the buy-out program. Therefore, we must look for new areas to replace the housing that was lost. Areas have been identified within and around the city limits of Coffeyville, but infrastructure costs remain a big hurdle to keep the homes affordable.

**Senate Ways and Means Committee
January 18, 2008**

With the loss of the homes and businesses, Coffeyville will see a decrease in its tax base as well as a decrease in utility revenues. Further, the city must fund its share of repairs to its own facilities and the levee which are estimated at a total of \$5.8 million. (City share estimated at \$957,000 worst case) Therefore, the City of Coffeyville is not in a prime position to step out and fund the cost of infrastructure for new housing developments. However, Coffeyville residents believe they have been handed an opportunity to make Coffeyville better than it was prior to the flood. A "New Coffeyville" steering committee working with Terry Woodbury of Kansas Communities, LLC has been formed and action teams put in place to implement the vision and goals of our citizens for post flood recovery. New housing to bring our residents home is a key part of the vision.

Senate Bill 417 will allow us to begin addressing a housing problem that existed prior to the flood and will assist in opening up new areas for housing development while keeping new housing prices affordable to those residents. Therefore, I strongly encourage your support for this bill.

Thank you for this opportunity to share.

Jeffrey D. Morris
City Manager
City of Coffeyville
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Coffeyville, KS 67337
620-252-6163
jmorris@coffeyville.com



Chanute

a TRADITION of INNOVATION

Senate Bill No. 417
(Rural housing; housing development grant program)
Senate Ways and Means Committee
January 18, 2007

Submitted by: Randy Riggs, City Manager

- A) Regarding the concept of making amendments to the rural housing incentive district act... This block grant proposal can be part of the multi-faceted puzzle small communities must put together. Your identification of issues is consistent with our experience.
- B) For many years, prior to the floods, our region has watched housing stock decline.
- C) The floods in 2007 have only made the status of the diminishing housing supply worse. Compared to neighboring communities, Chanute is fortunate to have only a dozen flood-damaged homes requiring razing and removal.
- D) Many communities in our region are not attractive to housing developers. Sometimes significant municipal subsidies will attract a developer's interest.
- E) Infrastructure costs are often cited as the largest obstacle to investments in housing.
- F) Housing is an important facet of our economic development plan. Housing has a direct influence on the quality and size of our local workforce.
- G) Leadership and initiative. With the above factors in mind, the City of Chanute has recently started construction of a new housing subdivision that will include 85 home sites when complete. The City of Chanute is the developer of the project. The City of Chanute has issued bonds to pay for all infrastructure systems: dirt work; streets; gas; water; electricity; sewer; street lights; storm sewer. Revenue from lot sales will not cover expenses; there will be no special assessments... result is a substantial city-at-large subsidy.
- H) New housing developments for market-rate housing will create new purchasing opportunities in all home price ranges within the community.
- I) Long-term, stable tax base depends in part on new housing. Proactive stimuli are a must for rural Kansas housing needs.
- J) I encourage you to continue your path of thinking creatively about housing.
- K) Thank you for your time, thought, and work.

Housing bill testimony, Jan. 18

Speaking from the economic development perspective, housing is a huge issue. There are currently jobs available in Greensburg, but not ones that allow someone to drive daily a minimum of 30 miles. Not only is there the cost of fuel as a factor, but the cost of time for the commute. Affordable housing would help take care of that situation.

New businesses looking at locating in Greensburg, as well as former businesses, ask the question, will I have a workforce if I come to Greensburg? We feel confident in saying yes if people have a place to live.....affordable housing. Workers ask, will there be a job if I come to Greensburg and a place to live? It's a catch 22 or a chicken and the egg...which comes first. Affordable housing that this bill would provide would help take address this issue.

Many of those that moved from Greensburg were those that rented housing so they have no insurance money to rebuild....there are still some that are trying to make a decision.....should I come back or should I move. Those that haven't already done so are needing to make decisions about what they are going to do and where they are going to go. They need a job to sustain their families and if we can't provide something very soon they will have located permanently somewhere else. We need these people for our schools. Enrollment in the high school has maintained but enrollment in the lower grades, who are mainly the people I have been talking about, is down. We need these people for our businesses. We need these people for a workforce. We are also up against a time factor. We are up against the factor of time.

Over 60% of employees of Bucklin, Tractor and Implement employees were from Greensburg and the near area. That has declined to about 50% since the tornado. As I said before, there are jobs available now but now place for someone to live.

We cannot offer anything different than any other county in the state of Ks to entice a business to come to Greensburg. That's not a complaint it's just a fact, making the issue of housing for people even more crucial. I am sure other communities that have faced disaster this past year are facing many of the same issues so this legislation would benefit many parts of the state.

A commitment has been made by the community to rebuild and we are very appreciative of all the resources that have been provided to us and hope that we will all learn from our experiences in Greensburg. At this point in time over 300 building or repair permits have been issued. 99 new home permits have been issued. That says a lot for commitment, however, we still haven't addressed the affordable housing that we have already talked about and that it is necessary to compliment what is being done right now.

Thank you for the opportunity to reiterate our needs to you and for the work you are doing regarding housing.

Kim Alderfer

Senate Ways and Means
1-18-08
Attachment 7

January 18, 2008

The availability of affordable housing in Greensburg is vital to the success of our city, county, school system, hospital and any other employers of businesses that are here or planning to come here. We simply cannot have one without the other.

Prior to May 4, 2007, property values were such that families could reasonably afford a home in the city. Many people had insurance to cover the value of their home, not replacement. Construction costs are higher in Greensburg due to the distance from cities and lack of motels for crews. Insurance issues and construction costs are the two main reasons many people are having a difficult time replacing their home.

We also had many people who rented prior to May 4th and currently there is nothing concrete about the building back of single family rental units. We have low income housing and senior living apartments, but we are missing a piece, and that is the affordable housing piece.

We will soon have a state of the art school facility. It would seem like this would be THE school to look for a job. But how can the school recruit teachers without housing? They wouldn't qualify to live in FEMA trailers, they weren't here May 4th. They don't have insurance money to build a new house.

We also have a Bio Diesel plant building here in the near future. They will have the same housing issues as the school, as will the hospital and anybody looking to recruit workforce from outside the area. But, it also pertains to people who lived here before and have moved away. How can we get them to come back if we don't have housing to offer?

The city has issued 99 permits for new homes, 137 home repair permits and 39 commercial permits. There is currently around 200 FEMA trailer remaining in Keller Estates. Any grants or incentives in the housing area would be appreciated.

Jeanette Siemens

Senate Ways and Means
1-18-08
Attachment 8

Office of the City Manager

City Hall - 120 North Sixth Street

Independence, Kansas 67301

Senator Dwayne Umbarger
Chair
Senate Ways and Means Committee
State House
Topeka, Kansas 66612

Dear Senator Umbarger:

Subject: City of Independence testimony for Senate Bill 417

On behalf of the City of Independence I would like to submit testimony in support of Senate Bill 417.

The flood damage in Independence due to the flood event that occurred between June 29 and June 30, 2007 was one of the best kept secrets in Kansas. However, this does not mean that there was not significant damage to residential and commercial properties within the city as well as damage to public infrastructure that affected and continues to impact our citizens.

This flood was the worst flooding event in Independence history. The flood exceeded the designated 500 year event (2/10 % chance of happening in a year). On June 29th from 9:00 p.m. to midnight (3 hour period) the city received 6.8 inches of rain. This followed a six month wet weather period. The cities thirty year average annual rain falls is 43.46 inches; for the first 6 months from January 1st to July 1st, 2007 the City received 44.31 inches with over 22 inches in the month of June.

Flood Damage

The property damage that resulted from this flood is as follows:

1. Approximately 200 structures had at least 1 inch of water in the living area.
2. 100 homes and 4 commercial structures located in the 1 percent flood zone (100 year flood plain) were destroyed or received damage that exceeded 50% of the market value of those homes. These properties have been included in the city's mitigation buyout application which totals \$3,275,642.
3. City crews picked up flood debris brought to the curb by property owners totaling 1,600,000 pounds or 800 tons. This debris included appliances, sheetrock, plaster, and household hazardous waste.
4. Two of the City's primary sanitary sewer lift stations were taken out of service for approximately 23 days eliminating our ability to transport the city's wastewater to the treatment plant.

Senate Ways and Means
1-18-08
Attachment 9

5. The wastewater treatment plant went under water and to date is not back in full service. The cost to repair the treatment plant is approximately 5.5 million.
6. The city's water treatment plant was unable to provide treated water for a 6 to 8 hour period which resulted in draining of the distribution system for potable water and water for fire protection. The city's water system continued to be affected for several weeks after the flood until we were able to eliminate the boil water restrictions.

Housing Needs

The flood damage of existing residential structures significantly reduced our already stressed housing stock. In the last 5 years an average of 7 new single family residential housing units have been constructed per year in Independence. Based on the homes that have been identified as substantially damaged in the 100 year flood plain, not including other damaged homes; we have experienced a loss in available housing. At our current rate of construction of new single family housing units it will take us over 12 years to replace the number of pre flood single family homes within the city.

Compounding the housing dilemma for city residents is the lack of available existing homes for sale. In a survey conducted in November, 2007 there were only 41 homes available in the Independence area for sale by local realtors in the \$75,000 to over \$195,000 range. Of the 41 homes available only 24 were between \$75,000 to \$150,000.

Economic Development Impact

The city has been aggressive in recruiting new industries and business and working with existing manufacturers to expand their business activity in Independence. This is not only true for our city but also other communities in Montgomery County. Examples of business that have moved or expanded in the Independence area are Cessna, Matcor, SEKTAM, Kansas Aviation, Hackney and Sons, and Standard Motor Products. This does not include the new industries locating in Montgomery County (Coffeyville) of Amazon and American Insulated Wire. We have heard from existing industries that one of the greatest impediments to their growth is the lack of housing to attract needed employees. The flood also impacted existing employees. For example, one of our industry's reported that "30 team members were displaced from their homes."

The City and State is also impacted by employees who work in Montgomery County but due to the lack of affordable housing live outside Kansas. Information provided by one large employer who increased their employment based stated that, "in 2002, 40% of their total workforce had an Independence address and in 2007 this level has been reduced to 21% of their workforce having an Independence address." They also indicated that in the same period of time there has been an increase of 2% of their employees who now reside in Oklahoma.

The need for employees and the shortage of available affordable homes have affected all manufacturers and other employers within the city. We have been advised by industries that the lack of available housing will continue to impact their ability to sustain and continue to grow their operations in Independence.

Impediments to Development of New Housing

There have been a number of impediments to develop new housing, particularly housing for the city's workforce, in past years. These include:

1. Lack of available lots with adequate public infrastructure (street, water, sewer) to support new housing development. It is currently estimated that the cost to provide street and sewers is \$22,000 to \$24,000 per lot, which does not include other development cost such as land acquisition and other development fees. Based on these factors the costs have limited any development in the city.
2. Infrastructure costs not only impact developers, but also potential home buyers. In a typical subdivision in Independence, utilizing special assessments, the typical monthly assessment for street and sewer is approximately \$185 per month. Taking this cost with the anticipated monthly mortgage payment of principle, interest, insurance, and taxes would require payments of \$1,400 to \$1,700 for a new home valued at between \$125,000 and \$175,000. Following a standard approach that monthly payment for mortgage and other related costs should not exceed 25% of gross income then the average family would need to earn between \$28 per hour to \$40 per hour.
3. The inability to attract developers to invest in spec homes creates an on going challenge. Developers have been able to construct homes within their own communities and currently there are no incentives to encourage them to develop in other communities.
4. Lack of city funds available to pay for infrastructure improvements.

Senate Bill 417 will provide incentives and improve the feasibility to provide all ranges of housing to not only meet the needs of impacted flood victims; but also to attract additional workforce who may wish to relocate to our community for the jobs that have been created by business and industry. The proposed legislation is truly thinking "outside the box" and will not only address the needs of our citizens, but also our economic development needs and will help to maintain and grow the city.

Sincerely,



Paul A. Sasse
City Manager



The Flood of 2007

The Impact on the
City of Independence

As Highway 160 (East Main Street) flooded access to the City from the East was blocked.



Flooded Neighborhoods



A flooded neighborhood on East Sycamore Street.



Firefighters search flooded residential areas for stranded citizens.



Residents and their animals were rescued by boat.



Flooded Commercial Property



Efforts were unsuccessful as the water rose over the sandbag walls.



Dennis Pruitt, CEcD, AICP

Director

Montgomery County Action Council

P.O. Box 588

Independence, Kansas 67301

620-331-3830

Thank you for the opportunity to discuss with you the economic impact of the flood on Montgomery County. I am the director of the Montgomery County Action Council (MCAC), a public/private economic development agency. The main point I want to make is that Montgomery County had a shortage of employees prior to the flood of 2007 and unless population gains are realized in the near future, this workforce deficit will cause severe economic development hardship.

I. THE FLOOD DESTROYED BUSINESSES

First, let me point out the impact of the flood on businesses. I have included in my testimony a spread sheet entitled "2007 Flood: Montgomery County Business Damages". This is information that MCAC and the Coffeyville and Independence Chambers of Commerce collected from businesses in the days immediately following the flood. We were unable to contact all the businesses and some of the amounts may have changed as the business owners had more time to investigate their losses but this table demonstrates the magnitude of the event. We estimate that 86 businesses in Montgomery County (73 in Coffeyville; 13 in Independence) suffered direct flood damage, with more than \$29 million in losses. Please note this damage report does not include Coffeyville Resources or farmers. As of December 1, 2007, only 17 of the impacted businesses in Coffeyville have reopened.

The problem we heard loud and clear from the business community was the lack of financial disaster relief for businesses. Yes, the Small Business Administration has a "low-interest" loan program but many of these businesses had outstanding loans and a loan on top of a loan is not much help.

II. BUSINESS DAMAGE HURTS GOVERNMENT

The business losses due to the flood will have a negative fiscal impact on state and local governments for years to come. The flood destroyed buildings, homes, machinery, and equipment thus reducing property tax revenue potential. In Coffeyville, six of its seven hotels were damaged, reducing guest tax revenue. Many of the businesses damaged were retail and a decline in sales tax revenue is anticipated. If the families displaced by the flood are unable to relocate in the county there will be a loss of students and less state aid to the school districts. Smart state assistance at this time could pay huge dividends in the future.

III. A DIFFICULT EQUATION: JOB CREATION DOES NOT EQUAL POPULATION GROWTH

One of my main concerns about the economy of Montgomery County is sustainability. We have been successful in creating new jobs and helping our existing companies grow. The number of people participating in the civilian labor force has increased from 16,820 in January 2001 to 17,622 in November 2007 (See Chart 1). The number of people employed has increased from 15,809 in January 2001 to 16,861 in November 2007 (See Chart 2). To summarize: we have 802 more people in the labor pool and 1,052 more people employed than we did seven years ago. The most recent unemployment rate is 4.3% (November 2007).

However, we have been unsuccessful in translating this employment growth into population growth. We believe a main culprit is the lack of decent workforce housing. According to the US Census Bureau, the population for Montgomery County has declined from 36,252 in 2000 to an estimated 34,692 in 2006, a loss of 1,560 people (4.5%). This population decline hinders the ability of our local industries to fill jobs.

IV. THE MONTGOMERY COUNTY MAGNET

What we also learn from the 2000 US Census is that Montgomery County is a huge employment magnet. The county pulled in 3,418 workers; 1,634 from adjacent counties in Kansas; 1,435 from Oklahoma, and a few from other states and other Kansan counties. One of our leading employers had to run 72 buses a week to meet its employee demand. This bill could be very helpful in getting non-resident workers to settle in Montgomery County.

V. QUOTES FROM BUSINESS LEADERS

I solicited comments from our leading employers for this testimony. One message stands out: they need employees immediately and housing will help.

Cessna

“Cessna will be recruiting more than 200 new team members to our Independence facility in 2008. Many prospective citizens of Independence will be forced to choose homes in more distant communities due to our housing shortage. Many of these people will choose Oklahoma due to their lack of options in Independence. The future growth of our facility could be limited if employee recruitment is hampered by a lack of housing options.”

Terry Clark, Director of Support Services

Amazon.com

“Every peak season we bus from multiple markets to address our peak season labor needs which cannot be satisfied by the local labor pool. In 2007 this was 72 buses running a week. In 2007 we grew our FTE base by 27%, resulting in an incremental cost increase for peak season busing. Our peak employment in the 4th Quarter 2007 was 2,700 with an annual average of approximately 700. We continue to grow as a company, and our job is to support this growth. A key component of supporting growth is people.”

Andy McLenon, Site Leader

USD #445 (Coffeyville)

“The flood that occurred in Coffeyville has created many challenges in a school district where we were just starting to experience growth. It is too early to tell the total outcome this will have on our student population unless our community is able to provide the necessary housing for students as well as staff in the near future.”

Robert J. Morton, Superintendent

CVR Energy (formerly Coffeyville Resources)

“CVR Energy’s refining and marketing company and nitrogen fertilizer business at Coffeyville together make up the largest employer in southeastern Kansas. As such, we constantly recruit new employees, many of whom must have advanced technical degrees or experience and who are available only outside the immediate area. One of our most serious issues in attracting such talent to Coffeyville has always been the lack of available, appropriate housing, and this situation has been exacerbated by the flood of 2007. While housing in Coffeyville is affordable, it is also often unavailable, especially in the target areas, price ranges and time frames needed to attract qualified applicants.”

Gina Bowman-Morrill, Vice President, Government Relations

Spears Manufacturing

“I just hired a guy from Springfield, MO and this is my third week to have him in a hotel in Bartlesville, OK. I looked at houses in Caney with the thought of buying one and renting it to him. Could not find anything. Sure would be nice to have some place with decent rental property or nice housing to help attract new folks. Tax relief is next on my list. We have about 15 open positions today and that will surely grow as our busy season approaches.”

Geoff Collins, Plant Manager

USD # 446 (Independence)

“We’re concerned that the lack of housing could eventually hinder our ability to recruit and retain teachers. Housing is already a problem in Independence and it is limiting our growth. This also has a negative impact on enrollment.”

Fred Meier, Business Manager

Midwest Plastics

“Being a resident of MG County most of my life, I would like to see MG grow in population. My concern is how the loss of homes due to the flood will impact taxes in the coming years. Taxes were up significantly this year without the effect of the flood factored in. While we have potential for growth with the housing loan incentives, some are still calculating that even with the loan incentives it would be cheaper to live across the state line. I don’t think we have felt the financial impact yet and those who live in the county may not realize how significant the loss of valuation will be causing additional increase in local real estate taxes. I am more concerned whether we will have growth or decline in population due to taxes. Finding employees before the flood was difficult, our company did experience a short period where there were few applicants, but overall the labor pool has been steadily slow.”

Renea Cavaness, Owner

John Deere

“It is always difficult to place people in Montgomery County and a big part of it is housing. Another factor is availability. We currently have 15 salary positions open and several production jobs open, too.”

Arnedá Shelton, HR

Express Personnel

“Over the past 3 years our demand from area employers for skilled and professional employees has increased by 47%.”

Kym Kays

VI. SOLUTIONS

The battle for good housing in rural Kansas should be fought on multiple fronts. Here are some steps I suggest the legislature take this year:

- Create infrastructure grants for market-rate housing
- Fund housing assessment studies in flood-damaged counties
- Target Kansas Housing Trust Fund monies to rural Kansas
- Increase funding for demolition of unsafe structures
- Develop a statewide comprehensive housing plan that includes incentives for workforce housing
- Establish housing loan guarantees to help developers obtain lower interest rates

VII. CONCLUSION

Prior to the flood Montgomery County businesses struggled to fill open positions. The flood destroyed more than 600 homes, turning our existing housing problem into a crisis. Housing is an integral component of a comprehensive economic development strategy. In order for us to obtain the full benefit of our economic development successes we need to capture the workforce. Unless new homes are built soon, our ability to attract new industry and retain the businesses we have will be severely compromised. Thank you.

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**2007 FLOOD
MONTGOMERY COUNTY BUSINESS DAMAGES**

Business	Address	Damage	Business Damage Dollar Value	Items Destroyed	Equipment Damage Dollar Value
8th Street Car Wash	Coffeyville	Major	\$500,000		
Allied Concerte	Coffeyville	Major	\$230,000	All trucks, computers, offices, and plant destroyed	\$120,000
American Homes Realty	Coffeyville	Destroyed	\$25,000		
Ampride Kabredlos	Coffeyville	Destroyed	\$200,000	Building destroyed, shelving, fuel inventory, parking lot destroyed	\$152,000
AppleTree Inn	Coffeyville	Major	\$1,000,000	Building and equipment destroyed	
Atmos Energy	1509 W Maple, Coffeyville	Minor		Several Hundred Meters Under Water	Unknown
Auto Repair in Cactus Parking Lot	Coffeyville	Major		Lost equipment but rented facility	\$15,000
B & K Nu 2 U Flea Market	802 East 11th, Coffeyville	Major	\$90,000	Inventory and Fixtures	Unknown
bp Amoco	202 East 11th, Coffeyville	Major	\$600,000	Building destroyed, shelving, fuel inventory, parking lot destroyed	\$30,000
Best Western Bricktown Lodge	605 NE Street, Coffeyville	Major	\$1,100,000	1st Floor Hotel Rooms, Offices, Pool, Fitness Room	
Blake's Glass & Muffler	803 East 11th, Coffeyville	Major	\$350,000	Equipment/Inventory	\$150,000-Inventory \$100,000-Equipment
Brady Rentals	709 South Penn, Independence	Destroyed	\$3,000		
Brass hat Janitorial	Coffeyville	Minor		Lost some equipment but were able to resume work	\$3,000
Budget Inn	1204 East 5th, Coffeyville	Destroyed	\$1,500,000	All Furnishings/Equipment	
Cactus Grill	602 Northeast St., Coffeyville	Destroyed	\$450,000	All Inventory, Equipment and Furnishings	\$250,000
China Garden	Coffeyville	Destroyed		Did not own building but lost all equipment	\$100,000
Chris Truck Lines	Coffeyville				
Crystaldolphins	One Mile North of Coffeyville on Highway 169	Minor		Inventory, Counters & Shelving	\$10,000 to \$12,000
Clough Oil Company	1106 Oak, Coffeyville	Destroyed	\$432,000	All Furnishings/Equipment destroyed including warehouse and office	\$157,000 in all three structures
Coffeyville Community College	Coffeyville	Destroyed		Destroyed 2 baseball fields, equipment and locker room facilities	\$53,000
Coffeyville Implement	Coffeyville	Destroyed		At this time not sure they will rebuild or reopen	
Community State Bank	901 Northeast Street, Coffeyville	ATM Shell Destroyed		Cash Dispensing Equipment & Security Camera	\$44,000

**2007 FLOOD
MONTGOMERY COUNTY BUSINESS DAMAGES**

Business	Address	Damage	Business Damage Dollar Value	Items Destroyed	Equipment Damage Dollar Value
County Line Auto Sales	Coffeyville	Destroyed	\$700,000	Includes property, office, inventory, and tools	
Crescent Apartments	Coffeyville	Destroyed	\$150,000		
Crescent Oil Company	Coffeyville	Destroyed		Fueling Equipment	\$300,000
Decker Construction	1215 East 8th, Coffeyville	Destroyed	\$398,000	2 Forklifts, Pallets of Supplies, 200 Doors, Toilet Accessories, Insulation, Hand Tools	\$220,000
Dr. Thompson Chiropractic	Coffeyville	Destroyed		Not sure that he will reopen or rebuild in Coffeyville-we will try and obtain more informaton	
Foritude Lodge #107 AF &AM	701 N Park Independence	Destroyed	\$450,000	The property was being rebuilt due to damage from an ince storm, building materials were all that were affected.	
Gill Brothers - Rental Property	713 South Penn, Independence	Major	\$15,000 to \$20,000		
Gilstrap Retail Liquor	1115 East 5th, Coffeyville	Destroyed	\$51,000	Equipment, Inventory and Furnishings	\$97,000
Green Acre Mobile Home Park	Coffeyville	Destroyed	\$120,000	Costs if all electrical and plumbing must be replaced.	
Heatherwood Nursing Home	614 South 8th, Independence	Major	\$2,000,000	Equipment, Inventory and Furnishings	\$700,000
Heritage Mobile Home Park	807 Moon, Coffeyville		\$10,000	To restore electric and water taps, possibly more if owner has to remove flooded trailers	
Hong Kong Delight	812 East 11th, Coffeyville	Major	\$300,000	Building destroyed, kitchen and all equipment destroyed	
Hoopingarners	Coffeyville	Major		Did not own building but lost all equipment	\$50,000
Independence Nursery & Garden Center	1000 South 10th, Independence	Major	\$50,000	Equipment/Inventory	\$40,000-Inventory \$15,000-Equipment
JC Pump	1300 East 3rd St., Coffeyville	Major	\$850,000	Building, Inventory, Machinery and Tooling	
Jenkins Liquor	Coffeyville	Major			
Jumpstart Coffeyville	512 Northeast, Coffeyville	Major	\$800,000	Convenience Store Inventory, Computers, Security Equipment, & Misc.	\$100,000
Kabredlo's	1206 East 4th, Coffeyville	Major	\$200,000	Equipment, Inventory and Fixtures. Fuel Inventory and Cash	\$153,232

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**2007 FLOOD
MONTGOMERY COUNTY BUSINESS DAMAGES**

Business	Address	Damage	Business Damage Dollar Value	Items Destroyed	Equipment Damage Dollar Value
Kanoma Cooperative Association	1112 East 4th, Coffeyville	Major	\$519,000	Office and Warehouse as well as 4 Trucks, Bottle Filling Plant, Propane and Fuel Bulk Storage Tanks	\$319,000
Kelley Electric Inc.	829 N. Penn, Independence	Major	\$60,000	Equipment and Supplies	\$300,000
Kelley Self Storage	829 North Penn, Independence	Major	\$600,000	98 Units Flooded	
Lazy K Saddles & Tack, Lazy K Shooters and KCCH Trainers, LLC	501 1/2 N. Forest, Coffeyville	Major	\$100,000	Leather Equipment, Leather Supplies, Office Equipment, Engraving Equipment	\$100,000+
Little Treasures Pet Salon	715 East 11th, Coffeyville	Major	\$50,000	Unknown	
Lock Doctor	506 S 10th Independence	Major	\$20,000		\$20,000
MEC Company	Coffeyville	Minor	\$10,000	Building had 6" of water, lost parts and motors in flood	\$2,000
Mont County Theater of Coffeyville	Coffeyville	Major	City owned building	Lost all props, costumes, and facility to perform in	\$20,000
M&D Automotive	Coffeyville	Minor		Equipment damage but building may be occupiable again	\$5,000
Marilyn's Family Treasurers	807 East 11th, Coffeyville	Major			\$30,000
Mette's Ranch House	701 Northeast, Coffeyville	Major	City Owned Building	Equipment/Inventory	\$52,000 to \$75,000
Montgomery County Fair Assn	Coffeyville	Major	City Owned facilities	Equipment damage estimate	\$400,000
Neat Cuts	801 East 11th, Coffeyville	Major		Equipment/Inventory	\$6,500
Parmac, LLC	12th & Oak, Coffeyville	Major	\$258,000	Rebuild facility, Entire contents, Records, Computers & Equipment	\$100,000
PJ's Mini Storage	1105 East 5th, Coffeyville	Major	\$50,000	29 Sheds destroyed	
Plaza Apartments	Coffeyville	Major	\$375,000	14 units effected -gutted and remodeled	
Pop Machine Business	Coffeyville			Equipment lost	\$5,000
RBK Manufacturing	608 Sunflower, Coffeyville	Major	\$50,000	Equipment/Inventory	\$5,500-Inventory
Regal Inn	1215 East 3rd, Coffeyville	Major	\$2,300,000	Bedding, Washer/Dryers, TV's, maintenance supplies	\$75,000
Rent House	1016 East 5th, Coffeyville	Destroyed	\$25,000		
Rent House	1010 East 5th, Coffeyville	Destroyed	\$15,000		
Rent Houses	901 Howard, 905 Howard, 909 Howard, Coffeyville	Destroyed	\$33,000	Three rental homes	
Rental Property	605 East 10th, Coffeyville	Unknown			
Rental Property	Coffeyville				
Rental Property	701 East 11th, Coffeyville	Unknown			

**2007 FLOOD
MONTGOMERY COUNTY BUSINESS DAMAGES**

Business	Address	Damage	Business Damage Dollar Value	Items Destroyed	Equipment Damage Dollar Value
Rental Property	605 E 11th, 607 E 11th, 902 E 9th Coffeyville	Destroyed	Unknown		
Schwinn Motel	801 Moon Street, Coffeyville	Major	\$200,000	Bedding, Washer/Dryers, TV's, maintenance supplies	\$75,000
Shank Oil Company	1357 South 10th, Independence	Major	\$20,000	Filters, Cases of Oil, Pickup, 2 Trucks, 1 Tractor	\$65,000
SMC Electric Supply	602 East 8th, Coffeyville	Minor	\$10,000	Sheetrock and paneling	
Sonoco	900 East 8th, Coffeyville	City Owned	City owned building but leased to Sonoco	Inventory / Equipment: 2 Fork Lifts, Office Equipment, Drill Presses, Band Saws	\$400,000-Inventory \$200,000-Equipment
South Kansas and Oklahoma Railroad (SKOL)	315 West 3rd, Pittsburg, KS 66762	Major	\$1,500,000 for Phase I: Emergency Repairs to restore service To follow: Phase II, Restoration to condition prior to flood, Phase III, Complete bridge work and final clean up		
Southgate	1033 Coffeyville Ave., Independence	Major		Equipment/Inventory	
Southside Recycling	1025 Coffeyville Ave., Independence	Major	\$50,000	Equipment/Inventory	\$120,000
Speedy Mart	Coffeyville	Major	\$400,000	To rebuild	
Standard Motor Products	1300 West Oak St., Independence	Minor		Minor Damage - None totally destroyed	Under \$5,000
Sunflower Markets, Inc. dba Save-A-Lot	903 East 8th, Coffeyville	Major	\$950,000	Equipment/Inventory	\$800,000
Testerman Welding					
That's Whats Cooking	823 East 8th, Coffeyville	Major	\$255,000	Building total loss	\$30,000
The Body Builder	1015 East 5th, Coffeyville	Destroyed	\$185,000	Body Shop Equipment	\$150,000
The Body Builder	1121 S Walnut, Coffeyville	Minor	\$8,000	Auto Repair Equipment	\$5,000
TNT Contractors	806 East 8th, Coffeyville	Major	\$39,000	Saws, Drills, Hand Tools, Office Supplies, Sealents, Paint & Lumber	\$10,000 to \$12,000
Touch of Class	Coffeyville				
Townsmen Hotel	Coffeyville	Major	\$2,300,000		
Tropical Snow					
Vest Security	303 W 14th, Coffeyville	Destroyed		Equipment lost	\$2,000
Yesteryear	813 N Penn, Independence		Unknown		
			\$22,961,000		\$6,188,232.00

Chart 1 Montgomery County Civilian Labor Force

Source: Kansas Department of Labor
From January 2001 to November 2007

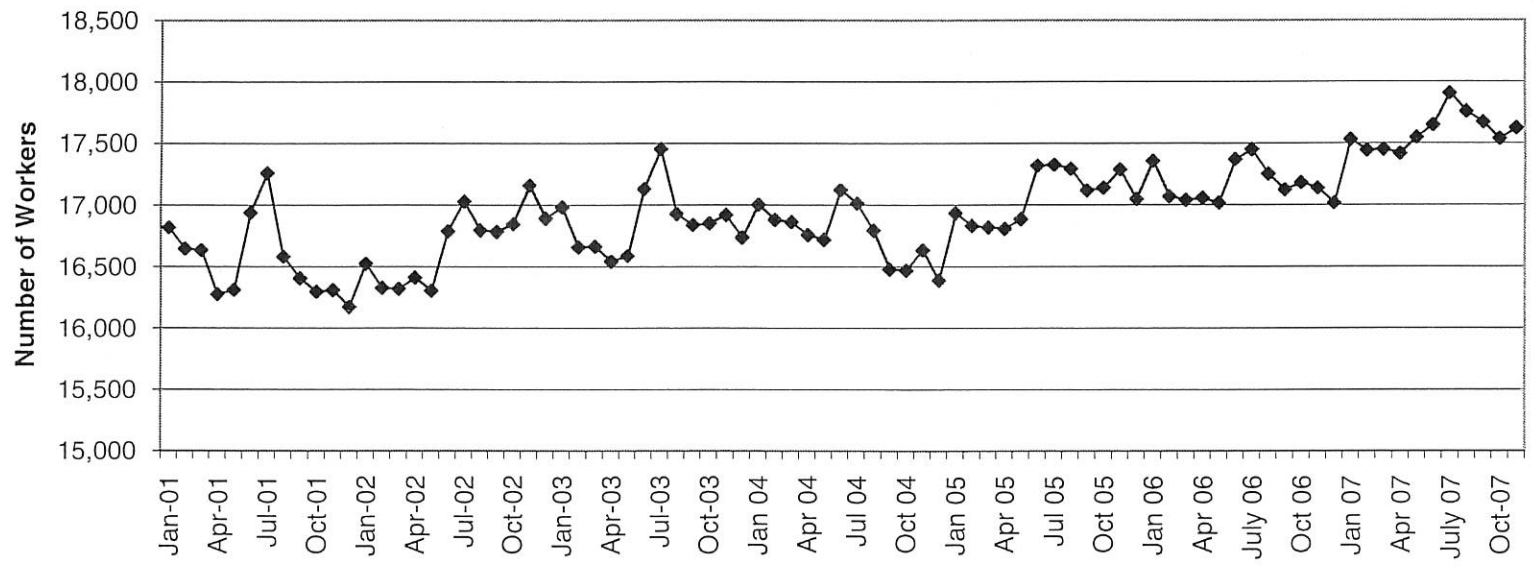
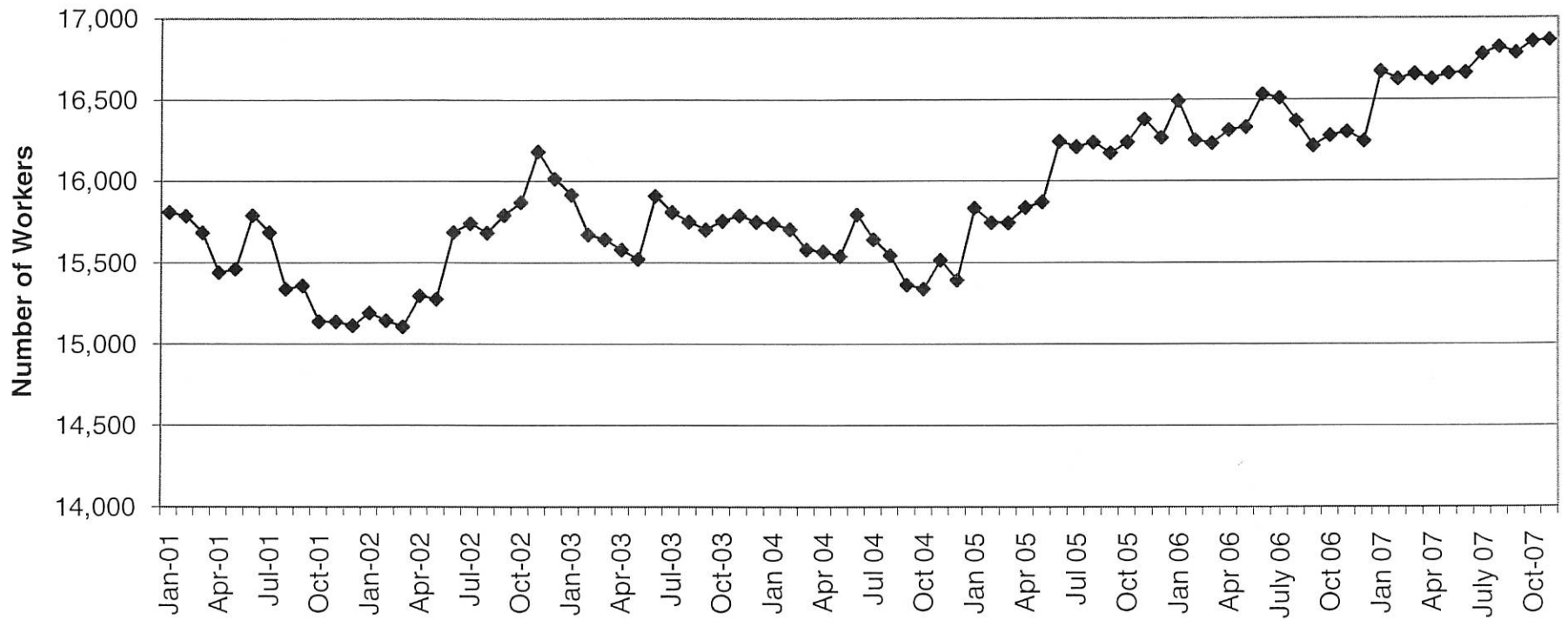


Chart 2 Montgomery County Employment

Source: Kansas Department of Labor
From January 2001 to November 2007



Testimony to the Senate Ways and Means Committee
Judy Brigham, City Administrator, City of Iola

The City of Iola is a community of 6,000 citizens in Allen County and is located in southeast Kansas. The City was devastated by flood waters in July of last year and is dealing with many issues related to the flood including, a failed wastewater collection system, 13 megawatts of electric generation that is inoperable and a completely submerged parks and recreation area. In the midst of these problems, today the most important issue is developing housing for our more than 120 families left homeless after the flood waters receded.

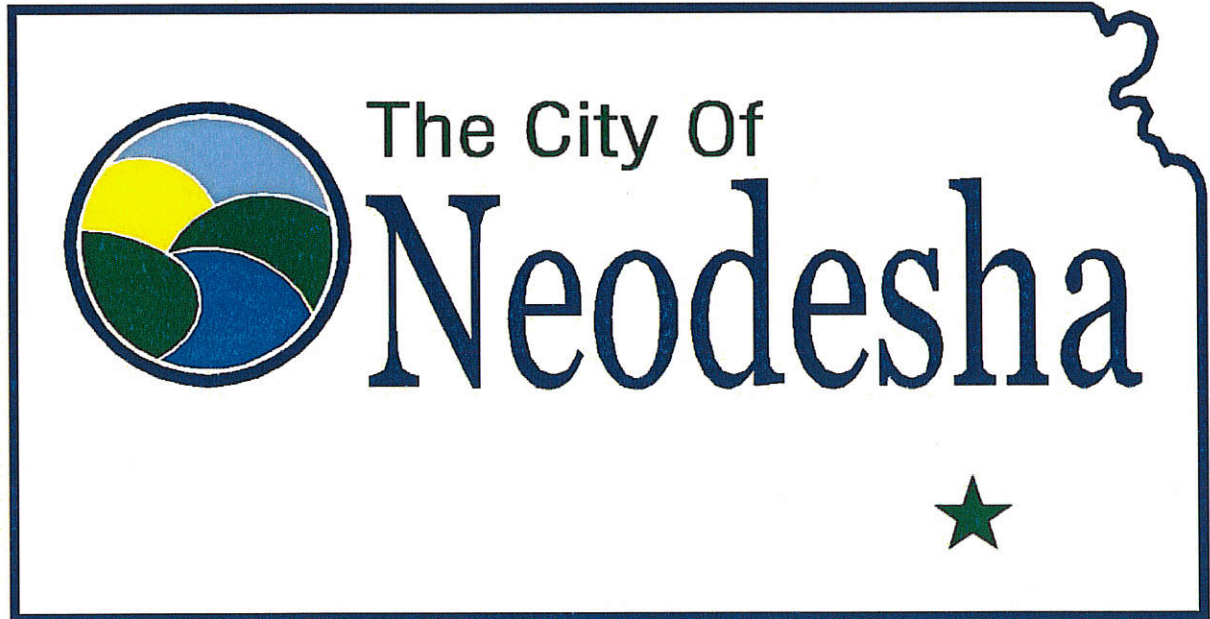
The City of Iola, like most cities in southeast Kansas, has been unable to attract builders to the area to develop new housing. Except for one failed attempt by a developer in the 1980's, the City has not attracted any builder to provide enough new housing for families wanting to relocate to Iola. The City has examined the problem a number of times over the past several years and has attempted to put some incentives in place such as waiving all building fees on new homes, developing an "in-fill" policy and most recently implementing a Neighborhood Revitalization Program. These measures have not been enough in themselves to attract a developer to come to Iola and create much needed housing.

The first hope brought to my community following the flood, was the presence of Senator Schmidt and his words of comfort and his ideas for recovery utilizing block grants to develop new housing. The City of Iola stands to lose entire neighborhoods of families whose homes were substantially damaged in the flood. Iola already was experiencing a declining population and the impact of losing additional families and children would be particularly devastating to the schools. Homes lost in the flood plain would be homes that would most likely not be replaced. The flood plain contains most of the first homes in Iola which lie close to the banks of the Neosho River and Elm Creek, which were most likely planned that way to take advantage of the nearby water supply. We now classify these areas as the flood plain and the National Floodplain Insurance Program dictates stringent regulations on those properties. As one might guess, families located in these areas are least able to afford to comply with elevation and other requirements. This leaves the City's investment in the infrastructure in these areas unused and a total loss.

The proposed bill presented today gives hope to the tornado and flood-affected disaster areas. This funding would enable cities such as Iola to reinvest in infrastructure in areas outside the flood plain and create communities where families would be safe from flood waters. The City has made application, and has received preliminary approval on the FEMA buy-out program which will give 120 homeowners in the floodplain an opportunity to sell their substantially damaged homes and get relief from the hazards of living in a flood prone area. The City needs to have a plan in place to accommodate these families and relocate them within our community. The terrible truth is there are currently not enough inhabitable homes to house the flood victims.

The American dream for everyone is the ability to own a home, and I will add, to own a safe and secure home. The funding set forth in the bill presented before you today will provide for those safe and secure homes. This money can be used so that cities, such as Iola, can reinvest in its infrastructure and fulfill the dreams for many of the victims of last year's flood.

Senate Ways and Means
1-18-08
Attachment 11



INCLUDED IN PACKET:

1. Neodesha Summary & Impact of Flood Damage
2. Why Housing is Important to Neodesha for Economic Survival
3. How SB-417 would help Neodesha
4. Attachments:
 - Map showing extent of 2007 flooding
 - Photos showing flood waters
 - Photos of example housing that was flooded
 - Flood Zone Map showing Flood Zones A&B
 - Future land use map

J. D. Cox

Senate ways and means
1-18-08
Attachment 12

EXTENT OF DAMAGE IN THE AREA

Background:

Neodesha Population

- Residential: Approximately 2,800 with 1,142 residential housing units.
- Daytime: Swell to Approximately 4,000
- Neodesha's avg household size: 2.51

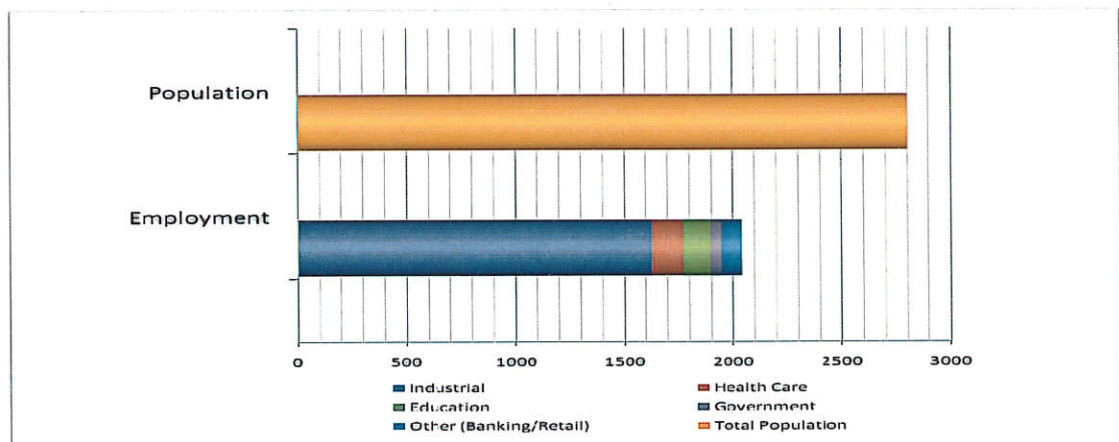
Employment:

- 2,044 jobs in Neodesha:
 - 1,630 Industrial;
 - 139 Health Care;
 - 125 Education;
 - 50 Government
 - 100 Retail/Banking/Other;
- Jobs Per Capita: Approx 0.73 jobs for every working person, retired person, and child. (We believe this number to be comparatively high).

Impact:

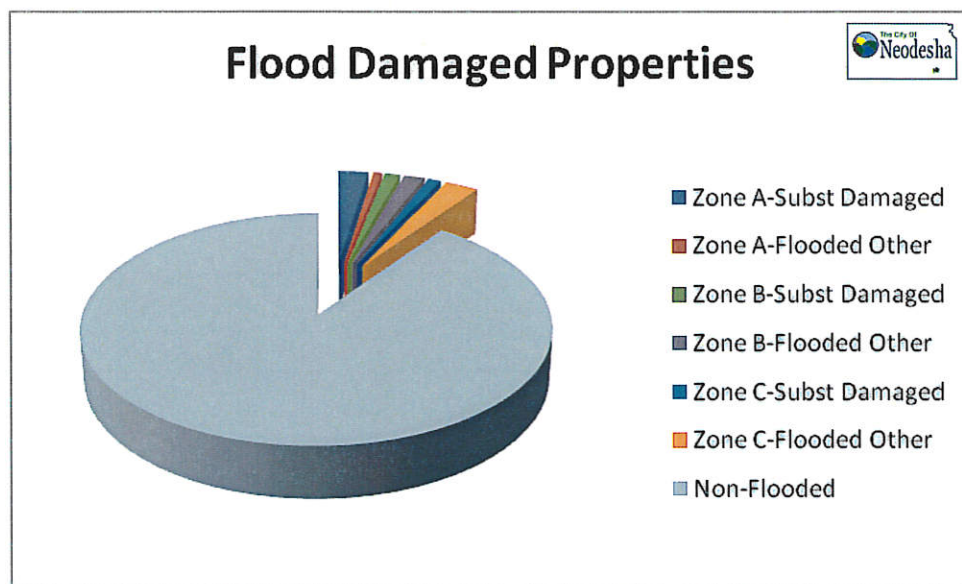
The flooding of June/July 2007 was severe and impacted the lives of most residents of Neodesha in many ways.

- Public Damages
 - We lost electrical power;
 - We had catastrophic damage to our power plant;
 - We had severe damage and almost lost our main sewer lift station;
 - We lost our raw water intake services;
 - We lost functionality of the water treatment system;
 - We lost our swimming pool permanently;
 - Our sanitary sewer lagoon system was flooded;
 - Our firefighters and police services were strained;
 - Our public works, most of all, was overwhelmed;
- Business/Churches
 - 8 businesses, 1 restaurant and 1 church sustain heavy flood damage.



Impact (cont):

- Private/Housing
 - Homes Flooded:
 - Out of the total 1,142 homes and 2,800 folks in Neodesha:
 - 112 homes / 10% were flood damaged in Neodesha City.
 - Approximately 327 people or 12% were affected
 - Flood Zone A:
 - 36 homes flooded
 - 28 homes in Flood zone A substantially damaged
 - Flood Zone B:
 - 33 homes affected
 - 14 homes substantially damaged
 - Flood Zone C:
 - 43 homes affected
 - 12 homes substantially damaged
 - Housing Damages
 - Total damage to homes in Neodesha: \$ 3,015,693
 - Total damage to homes in Flood zone A: \$788,561
 - Total damage to homes in Flood zone B: \$708,578
 - Total damage to homes in Flood zone C: \$1,518,555
 - Some homes in B and C were damaged up to 537% of the value.
 - FEMA Claim
 - Wilson County: 548 claims with 31 maximum grants
 - City of Neodesha: 16 maximum grants totaling \$451,200.00
 - 9 residences with flood insurance
 - 11 FEMA trailers in Neodesha with residents



IMPORTANCE OF HOUSING FOR ECONOMIC GROWTH

- Many residents affected by the flood are employed by the industries in Neodesha and have a limited income, which also limits the housing that they can afford.
- Much of the housing that was damaged or wiped out by the flood was affordable for most of the residents who work in our industries.
- We are trapped by two rivers, and it will take significant infrastructure improvements to cross the river into territories suitable for housing.
- We are a small community with the large number of employment opportunities in Neodesha. The first question always addressed is: *“What about housing?”*
- Neodesha has become the opposite of a “bedroom community” – we have become a “paycheck community” – where people drive here to get their paycheck, and then drive elsewhere to sleep because we don’t have enough housing for folks to live here.
- Most industries in Neodesha wish to expand – but we don’t have the housing to accommodate the additional employees that are required for them to be able to expand.
- Prior to the flood, there was a shortage of housing
- The flood compounded our problem, by damaging or wiping out a large number of affordable homes that we did have.



HOW SB-417 WOULD HELP NEODESHA

- We are a community that is trapped by two rivers.
- We are a community that is grappling not with just one, but with two disasters.
- This bill would also allow the State of Kansas to step up and help us with our housing problems;
- We see this bill as an opportunity to reestablish the housing that was wiped out by the flood.
- The houses would be built, sold and privately owned.
- The program would be self-sustaining.
- This bill would allow people who have jobs in Neodesha to live in Neodesha.

CONCLUSION

We would hope that the terms of the program would be streamlined so that they would not be too onerous for the applicant and would be flexible enough for those communities such as Coffeyville with its refinery spill, Greensburg with its tornadic event, and Neodesha with its two disasters, to be able to address those problems which are extraordinarily unique and complicated.

We hope that you would arm this bill with those tools that we need to adequately address those challenges that we face.

We are deeply grateful to Senator Schmidt and all those who are working to help address our severe housing issue. On behalf of the Community of Neodesha, we thank you for your kind consideration of SB-417.



WELCOME TO NEODESHA

COMMUNITY SERVICES

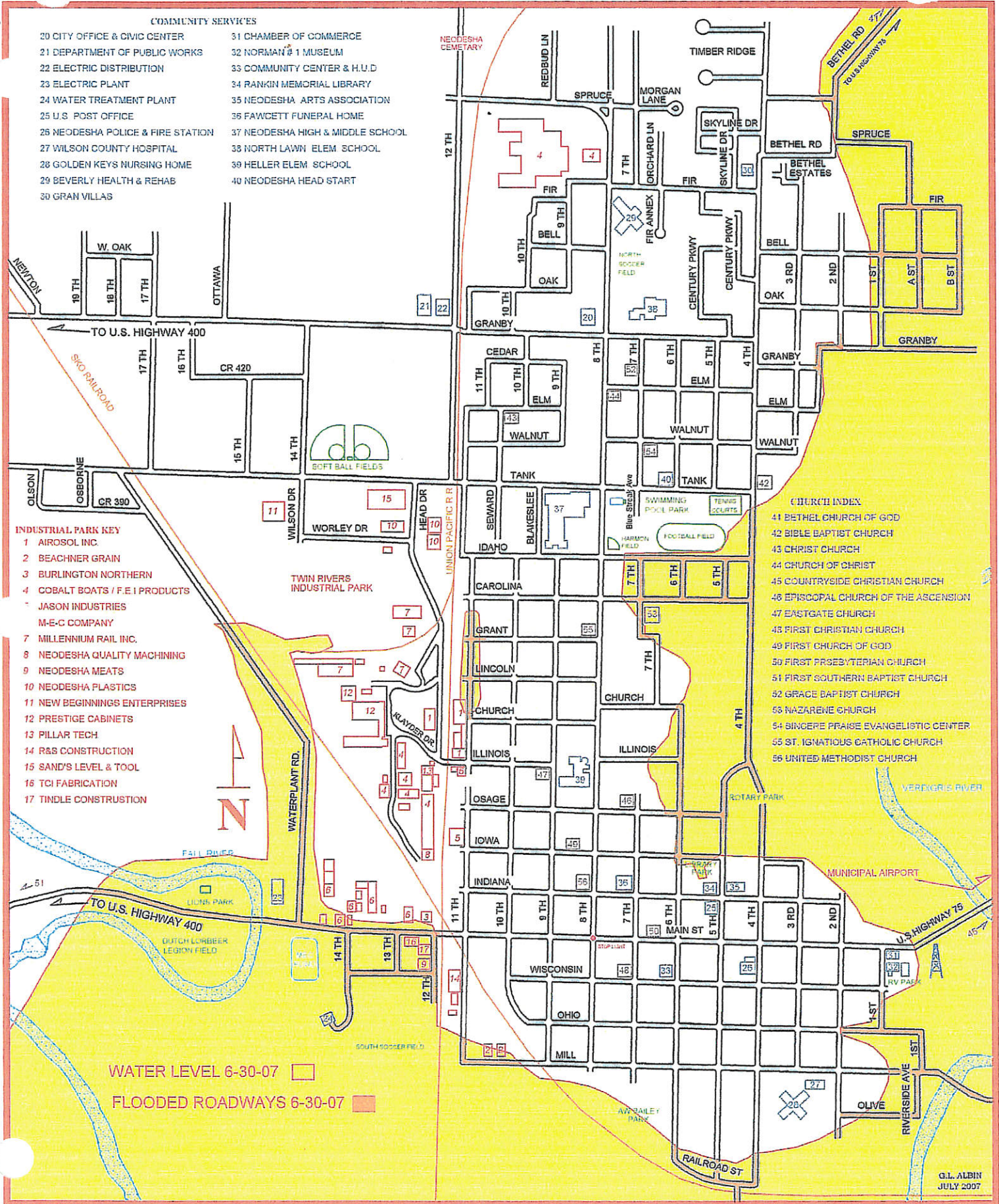
- | | |
|-----------------------------------|----------------------------------|
| 20 CITY OFFICE & CIVIC CENTER | 31 CHAMBER OF COMMERCE |
| 21 DEPARTMENT OF PUBLIC WORKS | 32 NORMAN # 1 MUSEUM |
| 22 ELECTRIC DISTRIBUTION | 33 COMMUNITY CENTER & H.U.D |
| 23 ELECTRIC PLANT | 34 RANKIN MEMORIAL LIBRARY |
| 24 WATER TREATMENT PLANT | 35 NEODESHA ARTS ASSOCIATION |
| 25 U.S. POST OFFICE | 36 FAWCETT FUNERAL HOME |
| 26 NEODESHA POLICE & FIRE STATION | 37 NEODESHA HIGH & MIDDLE SCHOOL |
| 27 WILSON COUNTY HOSPITAL | 38 NORTH LAWN ELEM. SCHOOL |
| 28 GOLDEN KEYS NURSING HOME | 39 HELLER ELEM. SCHOOL |
| 29 BEVERLY HEALTH & REHAB | 40 NEODESHA HEAD START |
| 30 GRAN VILLAS | |

INDUSTRIAL PARK KEY

- 1 AIROSOL INC.
- 2 BEACHNER GRAIN
- 3 BURLINGTON NORTHERN
- 4 COBALT BOATS / F.E.I PRODUCTS
- 5 JASON INDUSTRIES
- 6 M-E-C COMPANY
- 7 MILLENNIUM RAIL INC.
- 8 NEODESHA QUALITY MACHINING
- 9 NEODESHA MEATS
- 10 NEODESHA PLASTICS
- 11 NEW BEGINNINGS ENTERPRISES
- 12 PRESTIGE CABINETS
- 13 PILLAR TECH
- 14 R&S CONSTRUCTION
- 15 SAND'S LEVEL & TOOL
- 16 TCI FABRICATION
- 17 TINDLE CONSTRUCTION

CHURCH INDEX

- 41 BETHEL CHURCH OF GOD
- 42 BIBLE BAPTIST CHURCH
- 43 CHRIST CHURCH
- 44 CHURCH OF CHRIST
- 45 COUNTRYSIDE CHRISTIAN CHURCH
- 46 EPISCOPAL CHURCH OF THE ASCENSION
- 47 EASTGATE CHURCH
- 48 FIRST CHRISTIAN CHURCH
- 49 FIRST CHURCH OF GOD
- 50 FIRST PRESBYTERIAN CHURCH
- 51 FIRST SOUTHERN BAPTIST CHURCH
- 52 GRACE BAPTIST CHURCH
- 53 NAZARENE CHURCH
- 54 SINCERE PRAISE EVANGELISTIC CENTER
- 55 ST. IGNATIUS CATHOLIC CHURCH
- 56 UNITED METHODIST CHURCH



Compliments of

Neodesha Chamber of Commerce

100 SOUTH 1ST. NEODESHA, KS. 66757

(620)325-2055

G.L. ALBIN
JULY 2007





Neodesha Flood Zone Map



Note: The flood plains shown on this map, were digitized using the recalled flood plain maps dated August 15, 1978. Please see additional disclaimer.

Disclaimer:
 Features are representations of original data sources and do not
 intend to replace or modify land surveys, deeds or other legal
 instruments used to describe land ownership or use.
 Every effort has been made to assure accuracy of data displayed on
 this map. Information contained on this map may have changed since
 such information was compiled.
 Under no circumstances shall Wilson County be responsible to any party
 for any costs, expenses, damages, to any person or property arising from
 the use, misuse, sale or reliance on this map.



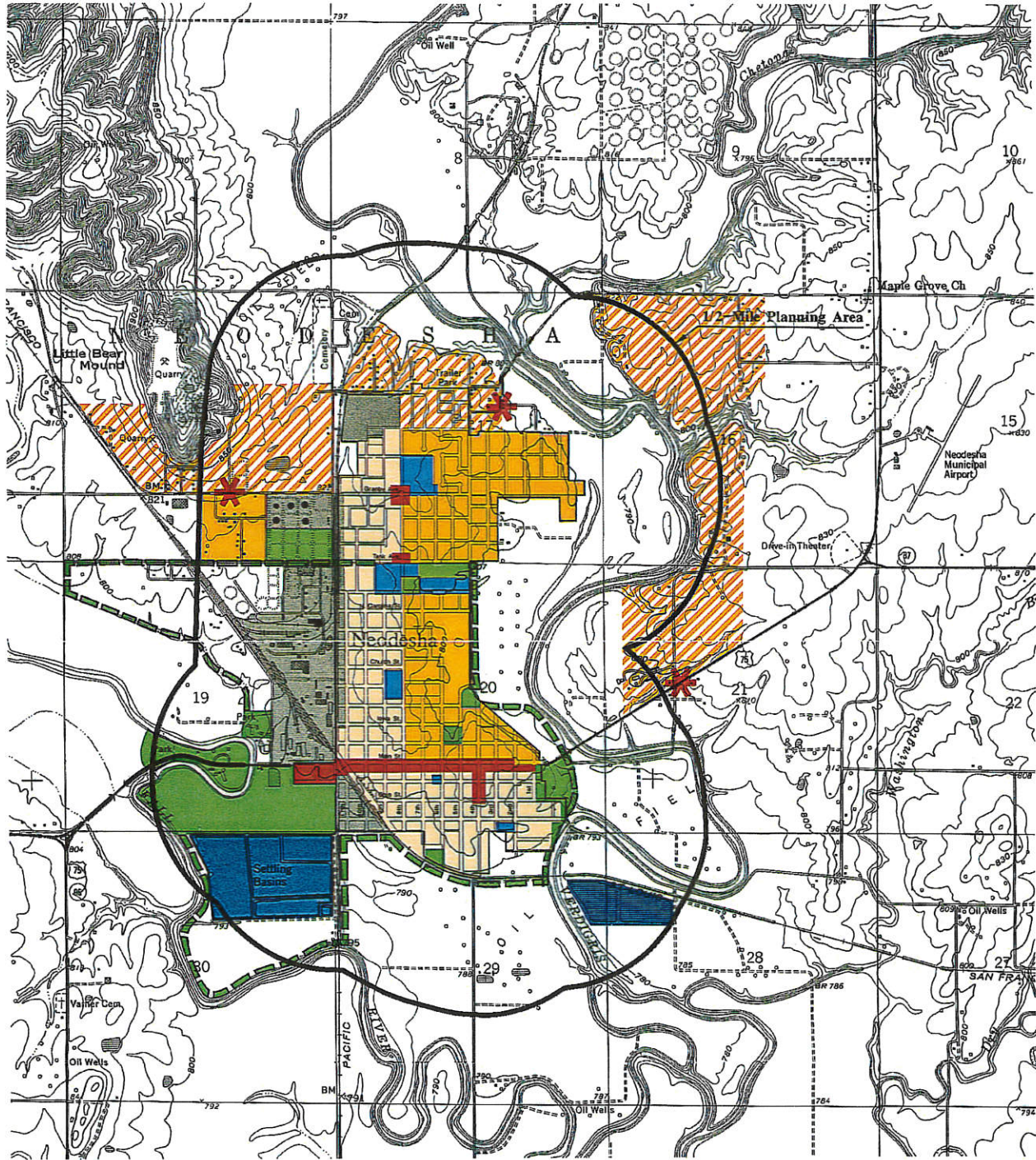
Legend

- corplimits
 - statehighways
 - countywide_911roads
 - federal_highways
 - railroad
 - parcels
- Neodesha Flood Plains**
- Zone A5
 - Zone A9
 - Zone B










Wilson County Appraisers Office
 615 Madison, Courthouse Rm 102
 Fredonia, KS, 66736
 (620) 378-2187

FUTURE LAND USE

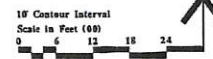


LEGEND

- | | | | |
|---|-----------------------------|---|-----------------------|
|  | Residential - Conservation |  | Retail - Expansion |
|  | Residential - Stabilization |  | Retail - Conservation |
|  | Neighborhood Growth Area |  | Industrial |
|  | Public & Semi-Public |  | Parks & Recreation |

Neodesha Comprehensive Plan

Neodesha, Kansas



**BUCHER
WILLIS
RANLUFF**

COFFEY COUNTY HOUSING AUTHORITY
313 Neosho
Burlington, Kansas 66839
620 364 8895

Steve L. Lightle, CPA
Coffey County Housing Executive Director

GREAT COMMUNITIES START AT HOME

Affordable Housing and Economic Development are two interrelated and fundamental issues to consider for the well being of the Communities and the State of Kansas.

The very core of the continuity of communities and ultimately the continuity of the State of Kansas is the ability to address specific issues such as housing, infrastructure and environmental issues.

All these issues play a vital role in the Communities ability to attract and sustain businesses and responsible Community Citizens. A Key Role to a stable Community and the economy of that Community is the ability of the Community to maintain adequate housing opportunities for its workforce.

Coffey County was fortunate in that it did not sustain the extent of damage that was done in the Greensburg and Southeast Kansas areas. Coffey County did not loose any homes to the disasters. As a result, Coffey County will not

benefit directly for at least three years from the proposed legislation.

The way this legislation is proposed will have the law in place to address the issues when other disasters occur in our State. This foresight to include legislation to cover future disasters is an example of being on the cutting edge of legislation for the direct benefit of the people affected by such disasters. This will speed up the recovery efforts that are so greatly needed after the disasters.

The housing industry is a large sector of the Kansas Economy and produces many economic and employment benefits throughout the State even in areas where little new housing is being built. This housing benefits retail, medical care, legal and service business, education, and local governments.

The Direct Component of the Housing Industry is the revenues and employment of the new housing construction.

The Indirect Component of the Housing Industry is increased activity of firms which supply them with materials and services including raw and intermediate materials, utilities, business services, and others including local governments.

The Induced Component is the effect created when the employees of the housing construction firms and those of indirect firms, consume health care, retail, education, transportation, and all other consumer services.

Much of the Economic impact from the Housing Construction accrues to firms not in the construction activity including wholesale trade, motor vehicle dealers and parts, financial institutions and retail stores.

Coffey County has built and sold 19 homes over the past 4 years and have 2 more underway at this time. Coffey County utilized local builders and specific job trade individuals to construct these homes at a cost of some 1.75 million dollars. The jobs created and the multiplier affect of the money being spent was a great benefit to Coffey County. The sales price of these homes ranged from \$88,500 to \$135,000. The assessed valuation of these homes on the Real Estate Tax Roles is in excess of \$2 million dollars. Even more important, is the fact that 19 families have moved into the area or relocated into these homes freeing up their homes to be rented or purchased by other citizens.

Testimony
Before the Senate Ways and Means Committee
Senate Bill No. 417
January 18, 2008
Local Initiatives Support Corporation
Ashley Jones

Mr. Chairman and Members of the Ways and Means Committee,

I want to thank you for the opportunity to speak to you today. My name is Ashley Jones and I am Assistant Program Officer at Greater Kansas City LISC. Greater Kansas City LISC is a program area of the Local Initiatives Support Corporation, the nation's largest community development organization, dedicated to revitalizing urban core and rural neighborhoods.

Greater Kansas City LISC started the Kansas Housing Policy Network about a year and a half ago. Although it began with only a hand-full of individuals from across the state interested in the creation of community development tools, it has grown to include over 300 members to date. The Kansas Housing Policy Network includes representations from the Homebuilders, Realtors, Homeless Providers and Advocates, Community Development Corporations, and many other interested entities.

In 2006, LISC sponsored a Kansas Statewide Housing Conference to begin the discussion on housing issues throughout the state. This past September, when LISC held the second annual conference in Hutchinson, the number of participants far exceeded our expectations. Over 350 individuals from across the state took part in the conference, including many members of the Kansas Legislature. We heard from legislators, including Senate President Steve Morris and House Minority Leader Dennis McKinney, that because of the recent disasters in Coffeyville and Greensburg, housing was going to be at the forefront of the legislature this session. In hearing this, the Policy Network decided to hold six regional meetings during the month of November in an effort to identify the housing needs across the state. In doing so, we heard a vast variety of personal testimonials of the housing problem throughout Kansas. For example - in SE Kansas we heard about the struggles in Montgomery County, where currently individuals are being bussed in from Oklahoma to work at Cessna and Amazon.com because of the lack of workforce housing. In NW Kansas, we heard about the need for gap financing. Right now, there is little construction being done because the cost to build a home is significantly more than what the home will appraise for. It was apparent that housing was a problem in Kansas before the disasters, but now has been elevated to a crisis level.

Senate Bill 417 does an excellent job of addressing the parts of Kansas affected by the 2007 disasters. However, the bill's scope does not cover the housing needs that were present before the tornado and floods. The established Housing Trust Fund could be the catalyst to focus on these housing needs. By creating an ongoing revenue source for the Housing Trust Fund, there will be funds readily available when and if another disaster occurs. In years that disasters do not occur, or occur on a smaller scale, funds will be available to be applied for on a statewide basis to address each areas specific housing concerns. This will allow communities to engage in long term planning to address their housing needs. Builders, developers, investors and lenders are more likely to engage in addressing the housing needs throughout our state if the state's Housing Trust Fund is funded to acceptable levels. Reliability of the funding source will encourage builders and developers to gear up business operations where the state focuses the money.

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1-18-08
Attachment 14

The disasters shed light on the fact that Kansas is lacking in community development tools. In fact, the only community development tools or funding available in Kansas are for federal programs. As most of you know, a major problem with federal programs is that they adapt the mantra that one-size-fits-all. Kansas has a unique mixture of urban, suburban, and rural communities, so a one-size-fits-all solution will not work here. A funded Housing Trust Fund would allow us to tackle the many issues that are specific to each community. Many of Kansas's finest including teachers, police officers and firefighters are not able to find or afford housing in the communities in which they live and work, as they are just above the threshold for qualifying for federal programs. If we don't attack our housing issues now, our state has the potential of losing families and jobs.

One solution to the diverse housing needs across Kansas is to identify a permanent revenue source for the Kansas State Housing Trust Fund – which exists in statute but has no revenue stream. This funding source would assist in ensuring that safe, quality and affordable housing is accessible for all Kansans -- not just in times of disaster.

Populations/Kinds of Programs HTF would serve:

- Homeless
- Very low income
- Low income
- Workforce
- Special needs (accessible)
- New construction and rehab of existing homes

Components

- Concentrated in housing - acquisition/new construction/rehab/special needs
- mixed income
- 100-120% area median income
- flexible but within specific guidelines
- in urban environment, connected to overall revitalization strategies
- low income
- workforce
- manufactured housing
- homeless
- address green and universal design

By expanding and enhancing the current State Housing Trust Fund to meet the needs of Kansans not eligible for federal programs, we will help improve the available housing options for all Kansans; and in turn, contribute to the economic vitality of our communities and leverage available resources.

Greater Kansas City LISC strongly encourages you to support SB 417 for the purpose of ensuring that safe, quality and affordable housing is accessible for all Kansans during all times of need. We also hope that as you discuss Senate Bill No. 417, you also consider a consistent and permanent funding source for the Housing Trust Fund.

Thank you for your time today and I would be happy to answer any questions you may have.

KANSAS  **HOUSING**
RESOURCES CORPORATION

TESTIMONY BEFORE WAYS AND MEANS COMMITTEE
REGARDING SENATE BILL NO. 417

STEPHEN R. WEATHERFORD
PRESIDENT, KANSAS FINANCE DEVELOPMENT AUTHORITY
PRESIDENT, KANSAS HOUSING RESOURCES CORPORATION
JANUARY 18TH, 2008

Chairman Umbarger and Members of the Committee:

Thank you for this opportunity to address the Committee regarding Senate Bill No. 417. Prior to the tornadoes and flooding this past year, many rural Kansas communities faced housing problems, now for many of those communities the problems have turned into a crisis. The Greensburg tornado destroyed or damaged nearly 1,000 homes. Over 2,300 more homes were affected by flooding in Southeast Kansas. I am sure the Committee will hear testimony from others detailing this need.

I serve as President of Kansas Housing Resources Corporation (KHRC), an instrumentality of the State whose mission is to provide housing opportunities across the state. KHRC relies primarily upon federal funding to help fund safe, decent, and affordable housing. KHRC has been active in rebuilding Greensburg and Southeast Kansas as part of our mission. While the State Finance Council approved a one-time allocation to begin the rebuilding, those dollars along with the programmed federal dollars can only be stretched so far and designated annual funding for both disasters and general housing needs are vitally important.

Senate Bill No. 417 would provide one additional tool for this purpose, initially in disaster areas, but later transitioning to rural areas throughout the State. The Bill creates a housing development grant initiative (“Initiative”) administered by KHRC. Cities and counties would apply for funds for constructing or rehabilitating badly needed

KHRC Testimony, page 2

infrastructure. The funds would jump start development initially in disaster areas and later in difficult to develop areas across the state.

KHRC supports the tenet of a permanent funding source for housing initiatives. Long term funding will allow for private enterprise to establish and maintain the capacity necessary for effective creation of housing and housing infrastructure. Limited term or inconsistent funding of this Fund may hinder the overall effectiveness.

KHRC envisions holding competitive application rounds, beginning with cities in eligible disaster areas. To successfully compete, communities would need to demonstrate specific needs and identify projects to meet those needs. Communities would also demonstrate their commitment to the projects in the form of matching funds. In order to best leverage available funds and make the greatest impact, application and evaluation criteria would likely include preference for workforce, elderly and special needs housing. KHRC employs similar application/grant/compliance methods in several of our federal programs. Flexibility to respond to unique needs of communities is a hallmark of this program which sets this funding apart from the one-size-fits-all approach of the federal government.

While KHRC supports the initiatives included in the Bill, we respectfully request that the Committee consider two minor changes. Since KHRC does not receive an annual operating appropriation from the State, administrative costs for operating the Initiative would need to come from the designated funding. We respectfully request the Committee to add a provision explicitly allowing a modest administrative fee for both KHRC and the successfully funded communities.

Second, SB 417 creates a new fund in the state treasury, titled the "Housing Development Grant Fund Program." KHRC recommends that the funds be deposited into the State Housing Trust Fund with direction to use the funds for the purposes described in the Bill. KHRC has full reporting capabilities already established in the Housing Trust Fund.

KHRC Testimony, page 3

KHRC commits to ensuring transparency in administration of the program and full reporting detailing the uses of these funds. KHRC will consult with communities, community groups, and housing advocates across the State in the development and operation of the Initiative. I offer the attached report detailing expenditures of the disaster funding provided by the State Finance Council only a few short months ago as well as other funding provided by the state. What this report illustrates is the tremendous impact state dollars can have in leveraging substantial private investment in these communities.

Once again, thank you for the opportunity to address the Committee and for considering one additional tool in achieving KHRC's housing mission. I am happy to entertain any questions from the Committee.

State Disaster Funds Status Report – as of January 18th, 2008

The State Finance Council this past October took an important step in helping Greensburg and Southeast Kansas communities begin the long and daunting task of rebuilding. The Council designated \$5 million to help spur redevelopment efforts in disaster declared counties around the state. \$3 million was allocated to help build affordable rental housing units, with \$2 million going to help homeowners repair storm-damaged homes, or build new or purchase existing homes.

As of today, we have tremendous progress to report. Of the \$3 million allocated for rental housing, KHRC has committed over \$2.8 million, along with \$19.2 million in federal housing tax credits, to finance the construction of 6 affordable housing developments, or 206 rental units, in Greensburg and three Southeast Kansas communities. The state funding, in the form of soft and hard loans, serves as critical gap financing which helps developers lower construction costs. So far, state monies and tax credit awards have leveraged \$25.6 million in affordable housing development funds.

Prairie Point, Oakview Townhomes and Greensburg Homes will provide 62 affordable housing units serving the needs of seniors and families in Greensburg. In Chanute, Cornerstone Apartments will offer 42 affordable rental units to income-eligible families. Rolling Hills Apartments in Coffeyville will be home to 72 families and seniors, and River Valley will provide 30 much needed affordable apartments to citizens in Iola.

State funding is also helping homeowners in disaster areas get their lives back on track. To date, 14 homeowner loans totaling nearly \$329,000 have been committed to help residents repair, build new or purchase a home. KHRC has conducted various housing events and outreach efforts in Greensburg to get the word out and now is co-hosting five housing fairs in Southeast Kansas. These fairs start next month and will be held in Erie, Iola, Coffeyville, Independence and Osawatomie. KHRC staff is also meeting with numerous employers and organizations in these communities to provide one-on-one educational presentations about down payment assistance available.



Date: January 18, 2008

To: Senate Ways & Means Committee

From: Doug Wareham, Senior Vice President-Government Relations

Re: Support for Senate Bill 417

The Kansas Bankers Association (KBA) appreciates the opportunity to submit this statement in support of Senate Bill 417. KBA's membership includes 347 Kansas banks that employ nearly 15,000 Kansans that operate more than 1,300 banking facilities in 440 towns and cities across the state.

KBA has a long-standing history of supporting policies and programs that promote economic and rural development in Kansas. S.B. 417, which creates incentives to jump-start the expansion of housing in tornado and flood-impacted areas in south-central and southeastern Kansas, is a positive and proactive response to the needs of these impacted regions. The Housing Development Grant Program established by this proposal will provide much needed financial assistance for prospective home-buyers that are unable to bear the total costs of new and/or replacement home construction.

KBA encourages the Senate Ways and Means Committee and the entire Kansas Legislature to act favorably and promptly on S.B. 417. Once again, thank you for the opportunity to submit comments in support of this measure.



Matthew S. Goddard, Vice President

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To: Senate Ways and Means Committee

From: Matthew Goddard
Heartland Community Bankers Association

Date: January 18, 2008

Re: Senate Bill 417

The Heartland Community Bankers Association appreciates the opportunity to voice our support for Senate Bill 417 to the Senate Committee on Ways and Means.

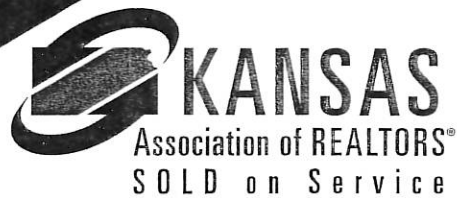
Senate Bill 417 will help Kansas communities that suffer from natural disasters with their housing needs by funding a new state block grant program for housing. On July 1, 2011, cities with populations of less than 40,000 in rural counties would become eligible for the block grant program. Block grant funding of \$4 million each fiscal year will come from the gaming revenues fund.

Housing is an integral component in the success of any community and it is especially important in a community attempting to recover from a natural disaster. The grant program will help with both building new housing and building or repairing the infrastructure necessary to support the development of new housing.

HCBA is pleased that there are accountability provisions in New Section 5 of SB 417 that allow the Kansas Housing Resources Corporation to ensure that block grant funding is used to the maximum possible benefit of our communities. The bill also limits the amount of grant funding that may be used on the construction of each home but prudently excludes infrastructure costs from these limitations.

The Heartland Community Bankers Association respectfully requests that the Senate Ways and Means Committee recommend Senate Bill 417 favorable for passage.

Thank you.



To: Senate Ways and Means Committee

From: Luke Bell, KAR Director of Governmental Relations

Date: January 18, 2008

Subject: **SB 417** – Rural Housing Development Grant Program

Chairman Umbarger and members of the Senate Ways and Means Committee, thank you for the opportunity to appear today on behalf of the Kansas Association of REALTORS® to offer testimony in support of **SB 417**. The Kansas Association of REALTORS® has faithfully represented the interests of the 10,000 real estate professionals and over 700,000 homeowners in the State of Kansas for over 85 years.

During this past year, devastating tornadoes in the Greensburg area and massive floods in Southeast Kansas have destroyed or significantly damaged over 3,000 homes. Even though considerable amounts of federal and state dollars have been expended to rebuild these areas of the state, there are significant shortfalls in funding and programs remaining that have the potential to negatively impact future economic development and recovery in these areas of the state.

In our opinion, the development block grant program that would be created under **SB 417** has the potential to be the most innovative new tool for the development of new affordable residential housing in the history of the public policy of this state. Providing adequate public infrastructure (sewer, water, arterial streets, etc.) to new residential developments is a daunting obstacle to the creation of new affordable housing opportunities. When the public infrastructure is provided to a new residential development, the developer or homebuilder is able to pass significant cost savings along to the eventual buyers of the new homes in the development.

Let us not underestimate the gravity of the crisis that the disaster areas are currently facing, it will take many years and significant amounts of new funding to rebuild and revitalize these areas of the state. In difficult budget times like this, it is absolutely imperative that the state government apply any new funding for housing-related programs only to the areas of the state with the most critical need for new funding.

Any new funding that is provided to housing programs serving less critical areas of the state would divert much-needed resources away from the disaster relief effort. Once the new funding provided for under this legislation has taken substantial steps to alleviate the housing crisis in the disaster areas, local governments in other areas of the state will be able to take advantage of this innovative program to create new affordable housing opportunities.

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**WRITTEN TESTIMONY
BEFORE THE SENATE
WAYS AND MEANS COMMITTEE**

TO: Senator Dwayne Umbarger, Chairman
And Members of the Committee

FROM: Martha Neu Smith, Executive Director
Kansas Manufactured Housing Association

DATE: January 18, 2008

RE: SB 417 – Rural Housing

Chairman Umbarger and Members of the Committee, my name is Martha Neu Smith and I am the Executive Director of the Kansas Manufactured Housing Association (KMHA). KMHA is a statewide trade association, which represents all facets of the manufactured housing industry (i.e. manufacturers, retailers, community owners and operators, finance and insurance companies, service and suppliers and transport companies) and I appreciate the opportunity to submit written testimony in support of SB 417.

The manufactured housing industry provides quality, affordable housing for many Kansas families. However, today many families are being priced out of the American dream of homeownership due to the rising cost of land, materials and labor, etc. Not to mention, that those families impacted by disasters not only have the incredible hardship of loosing everything or most of what they own; but they are also hit with the unexpected fact that to replace what they had will cost far more than what they anticipated.

KMHA supports SB 417 because we feel it is one step towards bridging the gap in funding the cost incurred by local governments after a natural disaster damages or destroys the community's infrastructure. SB 417 provides financial assistance to local governments to help with the construction or repair of the infrastructure. This in turn should help keep some of the costs down for those interested in rebuilding. For many small communities across the state this type of assistance will play an important roll in whether or not the community is rebuilt and survives or disappears because they cannot afford to rebuild.

After a disaster like the Greensburg tornado or the flooding in Southeast Kansas there is so much need that it is difficult to know where to start in the recovery process. KMHA feels that SB 417 gets to the heart of the need, by providing assistance to repair or re-build the infrastructure so families can begin to re-build their lives. Please support SB 417 in its current form.

Thank you for the opportunity to comment in support of SB 417.

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STATEMENT OF
THE KANSAS BUILDING INDUSTRY ASSOCIATION
REGARDING S.B. 417
SENATE WAYS AND MEANS COMMITTEE
SENATOR DWAYNE UMBARGER, CHAIR
JANUARY 18, 2008

Mr. Chairman and Members of the Committee, I am Chris Wilson, Executive Director of Kansas Building Industry Association (KBIA). KBIA is the professional trade association of the residential construction industry in Kansas, with over 2300 members. Kansas Building Industry Association appreciates the opportunity to submit this statement in support of S.B. 417. This bill would provide a needed tool to assist cities and counties in providing infrastructure in the areas affected by natural disasters.

As you are aware, there is a serious need for housing in those areas and also a need to build or rehabilitate infrastructure. In the disaster areas, homeowners who have suffered damages or losses often have not received sufficient insurance payments to be able to replace or repair their homes. Assistance from the state and federal governments such as that offered to cities and counties through S.B. 417 will help enable these families and individuals to return to homes in their communities.

We urge the committee to report S.B. 417 favorable for passage.

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Written testimony submitted by:

Philip A. Dudley RES & RMA

Mayor, City of Osawatomie

SUBJECT: SB 417

1. Committee on Ways and Means

Written testimony from Mayor Philip A. Dudley RES & RMA, City of Osawatomie Kansas.

STATISTICS:

Osawatomie (population 4600) was affected by flooding which occurred on June 30th and July 1st, 2007

The following damages have been incurred thus far, to our housing stock:

170 single family homes damaged

30 single family homes demolished as of today

5 new single family homes to replace demolished homes

96 Multi Family units damaged

36 Multi Family units demolished (Indian Ridge apartment complex)

60 Multi Family units damaged are currently being rebuilt (subsidized units)

Approximately \$6 million in Individual Assistance was estimated by FEMA/KDEM teams during their preliminary damage assessment. Total Property Damage for Miami County was \$10 million (public and individual) with \$8 million in damages within the City of Osawatomie.

Approximately \$2 million was estimated for City infrastructure/property.

TESTIMONY:

Our city government would be interested in a rural housing initiative that would provide loan guarantees for the construction of single family owner-occupied homes. Our community as others are struggling to promote single family home ownership, rather than subsidized rental properties. The program could provide the opportunity for young families to buy or build a single family home with low or no interest loan guarantees from the program. The stipulations should be:

- 1.) The owner would be required to live in the house for no less than 10 years
- 2.) Abide by all local housing maintenance standards, zoning laws, and other applicable laws

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3.) Agree to escrow for insurance and property taxes.

The current sub-prime mortgage situation, tightened credit standards, and a slowdown in the economy have made it difficult for most potential homebuyers to purchase or build a new home.

We would not recommend tax abatement other than the current Homestead Exemption and the Neighborhood Revitalization Act (NRA). These programs do not fully exempt property from taxation but do provide property tax “breaks”. As populations increase, the cost of providing services increases and local government cannot afford further erosion of its tax base.

The current proposal places a limit of 3 years for communities affected by natural disasters. We would support an extension of this time limit to 5 years with an option to further extend this on an annual basis, based upon use of the program and the progress within the communities affected.

Thank you for the opportunity to provide my input.

Respectfully Submitted

Philip A. Dudley RES & RMA

Mayor, City of Osawatomie

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GACHES, BRADEN, BARBEE & ASSOCIATES
PUBLIC AFFAIRS & ASSOCIATION MANAGEMENT

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**Testimony of Kansas Association of Mortgage Brokers
Presented by Ron Gaches
To the Senate Ways & Means Committee
In Support of SB 417: Creating the Housing Development Grant Program
Friday, January 18, 2008**

Thank you Chairman Umbarger for this opportunity to appear on behalf of the Kansas Association of Mortgage Brokers (KAMB) in support of Senate Bill 417 that proposes to create the Housing Development Grant Program.

New housing construction is at a low level in Kansas at a time when new housing is a critical need in several Kansas communities struck by disasters this past year. We believe the provisions of SB 417 will provide valuable assistance to housing developers and encourage them to make the investments needed to rebuild damaged housing inventory.

This bill represents a model partnership between state and local government, and private developers. An adequate house stock is an essential component of any community's economic foundation. Encouraging the development of new housing generates jobs, promotes home ownership, and creates stability in the area workforce. We believe it is appropriate to target the benefits of the bill to federally designated disaster areas in its initial years, and believe that the entire state may benefit from the program in later years.

Also, we are appreciative that the funding mechanism for the program is state lottery revenue, which has traditionally been targeted for economic development purposes.

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City of Greensburg

239 SOUTH MAIN
GREENSBURG, KANSAS 67054-1799

Phone: 620-723-2751

Fax: 620-723-2644

January 17, 2008

Dear Ladies and Gentlemen,

May 4th changed the landscape of Greensburg forever; however it has also given the world an opportunity to see the sprit of a community and a state. There is no doubt that this effort has enormous challenges. One of those challenges is affordable housing.

Greensburg before May 4th, like any typical rural community, had homes 25-40 years old, and new construction was minimal. Rental units were very affordable as were mortgages. Those families made up the majority of the communities workforce. (Young families with children) Now faced with higher rental costs or new construction, places this group in a vulnerable state. Without families, there is no need for a new school, hospital, parks, street, etc. Without families, there is no Greensburg.

No Greensburg? I believe we all have a responsibility as City Leaders, County Leaders, and State Leaders to see this community rebuild. The world is watching and we must to show them we are strong enough to overcome. Any future new economic development (in Greensburg or anywhere in Kansas) will be watching our small community. It's a reflection on the entire State.

With lower median incomes, families are unable to find decent housing that is also affordable. While the demand is high, the supply, particularly of new housing, isn't available. This needs to be a joint effort to meet the need. We understand the need for affordable housing is mush larger than Greensburg. However, we will see results immediately due to the disaster on May 4th. Both public and private sectors must work together on developing new programs to solve this issue. Neither the private nor the public sector can produce affordable rural housing on its own. It must be a partnership. However, the public sector must recognize and address the need before town like Greensburg simply fades away. 110 new homes under construction is a great sign of hope, however over 100 families currently living in FEMA mobile homes are contemplating their future. New house construction costs and high rents are a fear. Affordable housing is crucial to the survival of this town. Where do teachers live, where do hospital workers go, what happens to the workforce?

The direction Greensburg is moving is unprecedented. Addressing sustainability as a community is creating a buzz not just for Greensburg, but for the State of Kansas. However, without affordable housing you lose all that momentum and any economic development simply disappears. The City applauds the States efforts. Being proactive is a true sign of a progressive State. Thank you for your support.

Respectfully,



Steve A. Hewitt

City Administrator

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**HOME BUILDERS ASSOCIATION
OF GREATER KANSAS CITY**



600 EAST 103RD STREET • KANSAS CITY, MISSOURI 64131-4300 • (816) 942-8800 • FAX (816) 942-8367 • www.kchba.org

Senate Bill 417

Testimony by Phil Perry

Director Kansas Governmental Affairs

Home Builders Association of Greater Kansas City

January 18, 2008

Thank you for the opportunity to speak with you today. Everyone in our state was heartbroken by the unspeakable natural disasters that struck several of our communities in 2007. The devastation in Greensburg and the ruin from flooding in southeastern Kansas moved many of us and sparked a call to action across the country. Without a doubt we are committed to rebuilding these communities and providing the people who have lost their homes with the shelter they need and deserve.

But wanting to rebuild these communities and getting it done are two entirely different missions. We have the will to start rebuilding – now we need the resources to make it happen. Senate Bill 417 would make housing construction in disaster-stricken communities in our state a top priority. The Housing Development Block Grants that would be created by this bill from lottery proceeds would provide both the incentives and the tools to get the job done, and the legacy of the program would be to address serious housing needs across the state.

The Housing Development Block Grants are needed to reduce significant financial barriers to housing development in these communities. With thousands of homes across the state badly in need of replacement and repair, it will be impossible for local contractors in these areas to meet the demand all alone. We will need to import an entire workforce while making sure that new housing is affordable for the people who live there. We will need to build or repair homes in locations where some of the housing stock was built generations ago. This is no easy task. In short, we need to make the impossible possible. This will require a team effort from the housing industry across the state.

To attract businesses to communities facing serious housing needs, we need to provide positive incentives that will result in the work getting done quickly and done the right way. These grants would make it possible for home builders, remodelers and other housing-related businesses to invest in communities

Do Business With A Member

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with immediate and severe housing needs. The people benefiting from these grants will be the new-home owners and residents who right now are wondering where they are going to live and whether they will be able to stay in the communities where they have spent their lives and established their roots.

While the initial goal of this program would be to immediately address desperate housing needs of thousands of families affected by natural disasters, the long-term objective is to raise the standard of living for all Kansas residents. Thousands of Kansans live in areas suffering from a lack of investment. They live in older, outdated housing without the means to rebuild and repair their homes. We have the opportunity with this bill to do an immediate good deed while making a contribution to the stability of communities throughout the state that just need attention from public and private partnerships. With administration from The Kansas Housing Resources Corporation, we can attract private investment back into these neighborhoods.

The new-home construction industry strongly supports this bill. In fact, our only concern may be that it does not go far enough to reach all of the affordable housing needs in our state. The draft of this bill limits block grant investments to cities with populations fewer than 40,000 people in counties fewer than 60,000 residents. There are many more-populous cities and counties with serious affordable housing needs that could benefit from this legislation. Hutchinson, Manhattan, Lawrence, Topeka, Shawnee, Olathe, Kansas City and Wichita as well as counties such as Butler and Leavenworth among others certainly have housing affordability needs that could and should be addressed. We whole-heartedly support expanding the number of eligible communities to ensure all Kansans have the housing choices they need and deserve.

Thank you for your consideration, and I ask for your support for Senate Bill 417.