



METL is a regional coalition of the Manhattan, Emporia, Topeka, and Lawrence Chambers of Commerce, which seeks to leverage the combined strength of nearly 3,000 member businesses and organizations, represented by 30 elected representatives and senators in our region.

Written Statement in Support of SB 34
Wednesday, March 15, 2023
House Committee on Financial Institutions and Insurance

Chairman Hohiesel and Members of the Committee:

The METL Coalition supports the passage of Senate Bill 34, which would expand the availability of rural housing incentive districts.

The Rural Housing Incentive District (RHID) is a program currently designed to aid cities, counties, and developers in building housing within rural communities by assisting in the financing of eligible improvements. Virtually every Kansas community needs to have this tool at its disposal if we are to meet our state's workforce housing needs. Senate Bill 34 makes this program available to larger communities, greatly expanding its positive impact on housing in our state.

A shortage of quality, moderately priced housing of all types is a crisis in most communities. Building quality homes priced within the reach of hard working Kansans is more challenging today than at any point in our state's history. New housing development in Lawrence, for example, is at a 66-year low at a time when we have the Panasonic project ramping up in Douglas County and potential Panasonic supplier relocations coming soon. This disconnect is similar to the challenges faced in rural communities prior to the development of the RHID program. Margins on larger homes (\$700K+) are in the 10-15% range, while margins on homes of 1,650 sf or less are more like 4%. The costs to build workforce housing in many markets is now too high to deliver a home that most working Kansans can afford. Senate Bill 34 will help communities partner with developers and homebuilders to bring prices in line with the market.

If a homebuilder could utilize a RHID to bring their margins on a 1,650 sf home to 10%+, they would build this much-needed inventory. Expanding the RHID program is an excellent way to serve additional Kansas communities in need of housing and we urge you to support Senate Bill 34.

Respectfully,

METL – The Chambers of Commerce of Manhattan, Emporia, Topeka, and Lawrence