



March 4, 2025

Chairperson Tyson  
Committee on Assessment and Taxation  
Kansas State Senate  
300 SW 10th Ave  
Topeka, KS 66612

**RE: Opposition to Senate Bill No. 283**

**Oral and Written Testimony**

I am writing to express my strong opposition to Senate Bill No. 283, which seeks to eliminate the Kansas Affordable Housing Tax Credit (KAHTC). There is a nationwide housing shortage, and Kansas is no exception. In my conversations with Kansas communities, the overwhelming concern is the lack of housing—especially affordable housing. Adequate housing is essential to support the workforce, grow local economies, and sustain thriving communities. The Kansas Housing Resources Corporation's recent Statewide Housing Needs Assessment further highlights the urgent need for more affordable housing options across the state.

When we talk about affordability under KAHTC, we refer to individuals making 60% or less of the area median income. In Topeka, for example, this equates to an individual earning \$36,720 annually, with maximum allowable rents set at \$983 for a one-bedroom unit, while Fair Market Rents stand at \$731. These income-based limits vary depending on household size, number of bedrooms, and the project's location. The individuals benefiting from these affordable housing units include essential workers such as nurse technicians, service workers, firefighters, police officers, and other public servants.

The KAHTC program has played a crucial role in addressing Kansas' housing shortage by nearly doubling the supply generated through the Federal Low-Income Housing Tax Credit (LIHTC) program. Since its inception in 1986 under President Ronald Reagan, the LIHTC program has been the most successful affordable housing initiative in U.S. history. A significant portion of LIHTC-financed housing has been developed in rural communities—between 1987 and 2010, approximately 270,000 affordable rental homes were created in rural America alone.

Currently, Wichita State University is conducting a study to analyze the Return on Investment (ROI) generated by KAHTC. In other states with similar programs, the ROI has been at least \$5 in economic benefits for every \$1 of state tax credit. At a time when states are competing to retain their workforce, eliminating KAHTC would place Kansas at a disadvantage. All surrounding states—Nebraska, Missouri, Arkansas, Oklahoma, and Colorado—have state tax credit programs. The primary barrier to developing affordable housing is the lack of resources. The Kansas Housing Resources Corporation (KHRC)

consistently receives three to five times more applications than it can fund, illustrating the immense demand for these resources.

My experience in developing affordable housing in cities such as Topeka, Manhattan, and Colby has involved collaboration with local non-profits like Cornerstone of Topeka and the Manhattan Area Housing Partnership. These projects underscore the need for affordable housing statewide, from urban centers like Topeka to rural communities like Colby.

Most recently, in February 2025, we submitted a 4% Bond Application for the Johnson-Betts Meadows project—a \$46.7 million affordable housing development in Topeka’s Hi-Crest neighborhood. This project, a partnership between SENT, Topeka Housing Authority, Mesner Development, Hoppe Development, and others, aims to revitalize the area. It includes 176 units across eight three-story buildings, featuring a community park, playground, community building, and supportive services. The project, located within a Qualified Census Tract (QCT), also contributes to a broader Neighborhood Revitalization Plan. If Senate Bill No. 283 passes, this project will be canceled, impacting the Topeka community significantly.

I strongly oppose this bill, along with many other Kansans and organizations committed to creating affordable housing. The proposed legislation would reduce the number of units developed under the LIHTC program by half, compounding the housing crisis year after year. Areas like Colby, KS, where financial feasibility is already challenging, would be hit the hardest. Furthermore, the reduction of 4% bond projects in cities like Topeka, Lawrence, Manhattan, Kansas City, and Wichita would make it nearly impossible to leverage the 50% bond financing required for these developments. Without the state tax credit match, these projects would no longer be viable, leading Kansas to forfeit its unused bond capacity to other states, like Missouri and California. Redirecting Kansas’ resources elsewhere is a lost opportunity for our communities.

### **Suggested Modifications to the Bill**

If this bill moves forward in any form, I strongly urge the Committee to consider the following amendments:

1. **Protect 2025 Applications** – Ensure that projects applying for KAHTC in 2025 remain eligible for funding.
2. **Modify, Rather Than Eliminate, the Program** – Instead of completely eliminating KAHTC, consider modifying it in a way that reduces fiscal impact while still making it possible for projects that need the credit to become a reality:
  - Reduce the program duration to six years (similar to Nebraska) instead of ten years.
  - Reduce the state credit match to 70% of the federal credit (as done in Missouri) rather than the current dollar-for-dollar match.
  - Limit the program to 4% bond projects to ensure full utilization of Kansas’ Private Activity Bonds.

By adjusting rather than eliminating KAHTC, Kansas can balance fiscal responsibility while ensuring essential housing developments, such as the Johnson-Betts Meadows Project in Topeka, remain feasible.

## Resident Testimonial

I want to leave you with a quote from a nurse benefiting from the LIHTC program:

*"The apartment is beautiful, and it makes me feel that I'm not low-income. I feel like I have a beautiful home to come home to every day. And I have a great community here on top of that. Being able to afford rent and rebuild my life—with not my whole paycheck going to rent—I can take care of myself and my daughter, pay bills, and actually get ahead in life. For me, that's huge... it's freedom."*

## Conclusion

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

Sincerely,



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