

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman William G. Mason at 3:35 p.m. on February 17, 2000 in Room 522-S of the Capitol.

All members were present except: Representative Broderick Henderson  
Representative Bonnie Sharp

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

Conferees appearing before the committee: Michael Wojcicki, KTEC  
Representative Jerry Aday, Legislature  
William Prelogar, Governor's Commission on Housing  
Art Brown, Mid-America Lumberman's Assn.  
Tom Bishop, Mid-West Regional Director of Housing  
Assistance Council  
Dick Noon, Bankers Mortgage and Investment Group  
Kathy Olsen - KS Banker's Assn.  
Irene Hart - Sedgewick County Division of Community Dev.  
Matthew Goddard - Heartland Community Bankers  
Becca Vaughn, Topeka Independent Living Resource Center  
Randy Speaker, KDOC&H  
Scott Letts, Kansas Advocacy & Protective Services, Inc.  
(written testimony only)

Others attending: See Attached List

The Chairman opened the hearing on **HB 2929** and asked April Holman, Legislative Research Department, to brief the committee. The bill would amend the current law concerning the gubernatorial appointments of KTEC Board of Directors. The bill would have no fiscal impact.

Michael Wojcicki, Chief Operating Officer, KTEC spoke in support of the bill. He stated the amendment would allow the Governor to appoint "senior administrators" from the states' universities as well as "scientists or engineers" from the states' universities to the KTEC Board of Directors (Attachment 1).

The Chairman asked if there was anyone else to speak about the issue. Hearing no one he closed the hearing on **HB 2929**.

Representative Vickrey moved that the bill be passed out favorably and be placed on the consent calendar. Representative Stone seconded and the motion carried.

The Chairman opened the hearing on **HB 2971**. Ms Holman stated the bill would establish a new agency, called the Kansas Housing Development Corporation. The functions currently handled by KDOC&H would be transferred to and administered by the new corporation, effective July 1, 2000. The Governor would appoint a seven member board of directors, with the approval of the Senate. The board would then select a president, after a national search, who would not be a board member, to manage the operations of the agency. She outlined the powers and agency responsibilities specified in the bill. The agency would be prohibited from providing services that would compete with private industry. The fiscal note would take funding from KDOC&H, transferring it to the new agency, with no increases projected.

Representative Aday spoke to the committee about the need for housing development in Kansas. He reviewed the history leading up to the introduction of HB 2971 (Attachment 2). Discussion followed clarifying the bill.

Bill Prelogar, Chairman, Governor's Commission on Housing gave background on the diversity of the Governor's Commission. Through their comparative study they determined that there are funding sources available that the Department of Housing cannot presently tap, because they do not have the legislative tools to do so. He spoke of the advantages of the stand alone agencies in the other forty-eight states compared to the current structure in Kansas. He stated that the Commission supports the bill as written. On the request the Chair, he agreed to provide his general written comments for the record. Discussion followed regarding the inclusion of low and moderate financial services in the bill.

Art Brown, Mid-America Lumbermens Association appeared as a proponent of **HB 2971** ([Attachment 3](#)). The purpose of this act is to ensure that as businesses locate to Kansas and as existing businesses continue to expand that the State is able to provide a sufficient supply of adequate, safe and sanitary residential housing in all geographic locations of the State.

Tom Bishop, Director, Housing Assistance Council gave testimony as a private citizen, not as an official representative of FHLB, HAC, or HUD([Attachment 4](#)). He reviewed the 1999 mortgage revenue bond activities comparing the differences between Kansas, Colorado and Missouri. He distributed copies of a Colorado Housing and Finance Authority pamphlet (a copy is on file in the Legislative Research Department). He addressed the need for the bill, housing needs in Kansas and attributable expenses for the program. In summary he presented six reasons that the creation of a state housing is good public policy.

H. Richard Noon, President, Bankers Mortgage & Investment Group spoke about the lack of national lenders in Kansas and the need for an Housing Finance Agency. He stated that economic development and housing go hand in hand and the fact that we are only one of two states without a housing finance agency leaves us short of credibility with the national funding sources and limits our participation in many housing programs ([Attachment 5](#)).

Kathleen Olsen, Kansas Bankers Association spoke in support of **HB 2971** and offered three suggestions that clarify terms and language in the bill. She noted that the changes are intended to help assure that the program is accessible to people in need ([Attachment 6](#)). She stated that the Kansas Bankers look forward to working with the Kansas Housing Development Corporation in a cooperative effort to resolve the housing shortage problem in the state.

Matt Goddard, Vice President, Heartland Community Bankers Association, stated that although they do not oppose **HB 2971** they have some concerns ([Attachment 7](#)). The bill does not apply income standards to the activities of the Housing Development Corporation and they suggested that the Legislature limit the Corporation programs to those that serve low-to-moderate-income households. He suggested that the terms low income, very low income and moderate income, definitions already defined by a number of federal agencies, be adopted by the Legislature. He also suggested that a policy favoring private business firms be added; that is to utilize private business to the greatest extent possible.

Irene Hart, Division of Community Development, Sedgwick County, stated that they neither support or oppose the bill ([Attachment 8](#)). She gave background on her agency and stated that there was a discrepancy between the numbers they have and the numbers presented at the hearing. She noted that since 1996 they have provided service statewide, run a good program, yet the bill provided no commitment to continue their program. She asked that this omission be resolved.

Becca Vaughn, Topeka Independent Living Resource Center, appeared in support of the intent of the bill to establish a state housing corporation, however they believe that HB 2971 fails to be inclusive of the real housing needs of people with disabilities ([Attachment 9](#)). They recommended four revisions for the bill, that are outlined in her testimony. If those revisions are made they would be supportive of the bill.

Randy Speaker, KDOC&H thanked the Committee and the Governor's Commission for their interest and enthusiasm in addressing the unmet housing needs of Kansas ([Attachment 10](#)). He stated that KDOC&H had two major concerns about the bill; the timing of the bill and the scope of the bill. If the bill were to go forward he would recommend the six technical amendments included in his testimony be considered for adoption..

Scott Letts, Deputy Director and the Kansas Advocacy & Protective Services, Inc. submitted written testimony, that was distributed to the committee ([Attachment 11](#)). They recommended several revisions to address the needs of people with disabilities.

The Chairman asked if there were any other conferrees, seeing none he closed the hearing on **HB 2971**.

The next meeting is Tuesday, February 22, 2000.

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