



March 9, 2016

Chairman Hutton, and Members of the Committee, thank you for the opportunity to submit testimony on behalf of the Kansas Building Industry Association (KBIA) in support of SB 366. KBIA is an affiliate of the National Association of Home Builders and with eight local home builder associations and more than 2,000 members across the State of Kansas. My name is Wess Galyon and I am the executive officer of the Wichita Area Builders Association.

Inclusionary Zoning (IZ) is an affordable housing concept that has been adopted in certain parts of the country over the past forty years. IZ programs have varied by jurisdiction but in many places in order for a new project to receive local approval the developer is required to set aside a certain number of units (usually 15-30%) to be sold at a certain market rate, usually price-capped below market value. Proponents support IZ as an important affordable housing tool because it requires less direct public subsidy than traditional programs. But the reality is it shifts the burden of affordable housing away from the general community and to the developer by creating an artificial price cap on private property, concentrating the economic costs on a single entity. The effect of this burden in other jurisdictions has been to increase the average cost of a home while resulting in smaller houses in general. It also results in a shift away from single-family housing and towards multi-family apartment development. In addition, these policies have often resulted in a shift of development to nearby communities, or development just outside the boundaries of the jurisdiction that has chosen to adopt inclusionary zoning.

These experiences, stemming from the 300+ jurisdictions that have adopted inclusionary zoning in the past 40 years, are primarily centered on the east and west coasts in high population density areas like San Francisco, Boston, and Washington, D.C. We have seen very little interest in this type of policy in Kansas, but in recent years several groups in Lawrence have become more active in pushing city and county officials to adopt mandatory inclusionary zoning as a part of approval of new housing developments. We believe if a community wishes to consider IZ as part of their planning process it should be available as part of a voluntary process but these price controls should not be a mandatory part of planning approval. To this end we encourage you to support SB 366 and prevent pricing mandates on private property.

Sincerely,

Wess Galyon
Wichita Area Builders Association