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Testimony
Before the Senate Committee on Federal and State Affairs
Senate Bill No. 369
February 9, 2022

Chairman Olson and Members of the Committee:

My name is Matt Gillam and I am President of the Kansas Housing Association, Inc. The Kansas Housing Association (KHA) is an alliance of for-profit and non-profit developers, businesses, financial institutions, public housing associations, chambers of commerce, economic development organizations, service providers, individuals and other organizations to belong and work to strengthen the state's economic vitality by making safe, decent, affordable housing available throughout Kansas. We appreciate the opportunity to submit remarks in support of Senate Bill No. 369.

Increasing and preserving the supply of affordable housing in Kansas is a fundamental mission of our members.

Senate Bill No. 369 seeks to create a state income tax credit program for affordable housing to be administered by the Kansas Housing Resources Corporation, consistent with the federal requirements for low-income housing credits. The investment in tax credits would provide funds to developers to facilitate construction of affordable rental housing projects aimed at serving lower income Kansans.

Housing is central to economic development and job expansion. The recent statewide housing assessment done in Kansas, demonstrates the true needs for additional housing development in our State, a demand for housing that cannot be met without both public and private investment. While interest in housing is a priority, Kansas must think outside the box to advance and diversify housing of all types - affordable, workforce, moderate income, single family, multi-family and senior housing. And without this bill we can't adequately and timely address the state's affordable housing shortage.

Low-income housing tax credits are critical to getting more affordable housing and rentals built. A state tax credit will compliment the existing Federal Low-Income Housing Tax Credit (LIHTC) program. State credits can supplement federal credits and allow expanded projects, helping to fill the gap in production and reduce the number of people on waitlists for affordable housing.

Since the federal low-income housing tax credit program was created in 1986 no other program comes close in housing production. Kansas has had more than 37,000 homes developed or preserved and more than 85,000 low-income households have been served. The demand for units is way more

than the resources can provide. In 2021, Kansas received 28 full LIHTC applications seeking to build 658 new units and rehab another 575 housing units, yet Kansas was only able to fund nine of these project requests, totaling about 259 units.

As prices for construction materials rise and labor remains in short supply, the over all costs increase and margins for affordability shrinks. *Over 73,000 renter households in Kansas pay more than 50% of their monthly income on rent, leaving too little for other necessary expenses.* Only through joint effort can we meet demand and help keep rents affordable.

Private investment can be leveraged with public incentives increasing the feasibility of the construction and operation of affordable rental housing developments across the State. Other states have used state income tax credit program for affordable housing model successfully and Kansas should too.

Thank you for your consideration and the opportunity to present testimony to the Committee.

The Kansas Housing Association urges you to support Senate Bill No. 369.

Matt Gillam
Kansas Housing Association, Inc.