



CITY OF TOPEKA

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To: House Committee on Commerce, Labor and Economic Development

From: Braxton Copley, City of Topeka

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Re: Opposition Testimony for HB 2119

I would like to thank Chair Tarwater and the Committee for allowing the City of Topeka the opportunity to provide testimony in opposition to HB 2119.

During the period of 2013-2017, I worked for Pioneer Group in Topeka and we did several LIHTC deals across the state. One of the memories that still stays with me was talking to a couple of our tenants after we had the ribbon cutting for Pioneer Motive Power Place. The residents were literally on the point of tears telling me that they never thought they would be able to afford to stay in an apartment building as nice as this.

The LIHTC program is one of the most successful public private partnerships that the federal and state governments have developed. Simply put, government cannot afford to construct and manage a sufficient amount of housing to meet the needs of low income and workforce housing. Developers are unable and unwilling to construct low income housing because the low rents will not allow them to achieve a market rate of return. The LIHTC program leverages tax credits to induce private developers to construct affordable housing by providing them a market rate of return. To ensure ongoing affordability, restrictive covenants are put on the real estate requiring affordable rents for 15 or even 30 years.

The 2021 housing study that the City commissioned made the finding that there is a considerable unmet demand for affordable housing in the City of Topeka. The housing study determined that the City of Topeka had a 20 year demand of 2,900 rentals with cost of 80% and below Area Median Income (AMI) (affordable) as well as a 20 year demand of 1,390 rentals with costs set between 80% - 120% AMI (workforce).

What this demand means is that we need roughly 128 affordable rental units to be created or preserved per year. We have met that goal one time in the last four years, and that was due to Emergency Housing Vouchers (EHV's), which preserved affordability and did not create new housing. Those EHV's are no longer available to the City as they were a onetime assistance program tied to COVID response.

For workforce rental units, we need roughly 80 units a year. We have never met that annual goal and had a total of 12 in 2021-2022. From 2021 to 2023 we have a total of 113 Affordable rental units that have been created of the 640 needed by the end of 2025. 87 of the 113 were LIHTC units.

The LIHTC program is essential for helping communities increase affordable housing and, as such, I respectfully encourage the committee to not move this bill forward.