

AMD Partners LLC  
1440 Erie Street, Suite A  
North Kansas City, MO 64116

Andrew Danner  
[andrew@windfielddrealestate.com](mailto:andrew@windfielddrealestate.com)

Matthew Danner  
[matthew@windfielddrealestate.com](mailto:matthew@windfielddrealestate.com)

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Representative Sean Tarwater, Chair  
House Committee on Commerce, Labor, and Economic Development  
Kansas State Capitol  
300 SW 10th Avenue  
Topeka, KS 66612

Dear Representative Tarwater and Members of the Committee,

We are writing to express our strong opposition to House Bill 2119. As drafted, the bill constitutes an existential threat to the affordable housing ecosystem in Kansas as we know it. Just a few short years ago considerable time, effort, and resources were spent to propagate what now hangs in the balance – the Kansas Affordable Housing Tax Credit (KAHTC).

With the passage of the KAHTC in 2022, Kansas made a meaningful and impactful commitment to equip the Kansas Housing Resources Corporation (KHRC) and other housing development stakeholders with a financial resource squarely directed toward addressing the endemic problem of safe, sanitary, secure, and affordable housing for Kansans. The KAHTC's impact has been measurable and demonstrable with the year-over-year increase in affordable housing units funded post enactment.

Aside from surrendering progress made in growing the number of affordable housing units available to Kansans, House Bill 2119 creates an overtly perilous situation for stakeholders who are financially and contractually committed to developing and constructing affordable housing, including but not limited to: non-profit developers, for profit developers, housing authorities, lenders, investors, and contractors - each of which conduct business in Kansas and many of which reside in Kansas.

Effects of House Bill 2119 include:

1. **Regression of Affordable Housing Momentum** – Affordable housing momentum generated over the past several years will be reversed. Developments both under construction and in pre-development will face unprecedented financial hardships,



threatening their viability and delivery to vulnerable Kansans.

2. **Harm to Existing Affordable Housing Communities** – Kansans living in existing affordable housing developments in the process of being rehabilitated with funds made possible by the KAHTC will be at risk of protracted or even permanent displacement.
3. **Financial Obligations Made and Not Kept** – Lenders, investors, developers, contractors, suppliers, and local businesses will suffer considerable financial harm, resulting in job losses and instability for Kansas-based companies.
4. **Less Affordable Housing Development** – Elimination of the KAHTC will likely drop rental production below levels seen prior to its enactment. In a time of decades high interest rates and record high construction costs, the KAHTC is needed now more than ever to help deliver affordable housing units.

The adverse effects of House Bill 2119 are palpable and in this moment, the stakes could not be higher for affordable housing in Kansas. We strongly urge this committee to reconsider the advancement of this bill and encourage committee members, and Kansas legislators at large, to work with housing stakeholders to address concerns about program funding in a way which does not jeopardize existing and future affordable housing developments.

Thank you for your time and consideration of this crucial issue.

Sincerely,

AMD Partners LLC

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