

To: Honorable Representative Tarwater
House Committee on Commerce, Labor, and Economic Development
Date: February 6, 2025

Written Testimony in Opposition to HB2119

On behalf of the Hutchinson/Reno County Chamber of Commerce and the Greater Hutch Economic Development Partnership we write today to oppose HB2119 that proposed to eliminate the Affordable Housing Tax Credit July 2025. Our Chamber represents the voice of 750+ businesses in Reno County who need their workers to be able to afford housing.

Affordable housing has been identified as not only a top priority for Hutchinson and Reno County but is an issue across Kansas rural communities. Our annual Chamber Business Conditions Survey asks businesses about issues impacting their ability to grow and attract workforce. Again in 2024 and consistently for several years, affordable housing was cited by business as a top issue along with childcare and access to affordable healthcare options.

In 2024, the City of Hutchinson and Reno County, along with communities across the County, took part in a Reno County Housing Needs Assessment. It identified that there is a need for over 1,000 housing units in Reno County. The risk for developers associated with developing moderate to lower price-point units is that the rising cost of building materials, they show a loss or minimal profit margins. This is the very reason these credits are an important tool to allow communities to attract much need investment in affordable housing.

One issue is the lack of affordable housing options, leaves a limited supply, and further drives up the cost for moderate income individuals due to a high demand, further exacerbating the problem. Currently, the City of Hutchinson has been working with a developer who has an application pending that would create a much-needed multifamily housing development. Without the credits, the project does not pencil out in today's market.

This is not just a Hutchinson issue, it is an issue across the state and any programs that we can keep in place to give stability to this as a tool should be a top priority for Kansas to continue to attract young professionals and to continue to make our communities a vibrant place to live. I encourage you to reconsider eliminating the affordable housing tax credit program as a way to level the playing field. There is evidence to show that states who have eliminated this tool saw a sharp decline in development.

Respectfully,
Debra Teufel, President/CEO, Hutchinson/Reno County Chamber of Commerce

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