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Dustin Hare, Economic Security Policy Advisor
Kansas Action for Children
Verbal Opponent Testimony on HB 2119
House Committee on Commerce, Labor, and Economic Development

Chairman Tarwater and members of the Committee:

Thank you for the opportunity to provide testimony in opposition to HB 2119, which would abolish the state's new affordable housing tax credit (AHTC) program.

Kansas Action for Children is a nonprofit advocacy organization working to make Kansas a place where every child has the opportunity to grow up healthy and thrive. We work across the political spectrum to improve the lives of Kansas children through bipartisan advocacy, partnership, and information-sharing on key issues, including early learning and education, health, and economic security for families.

We oppose this bill because it would signify that the state of Kansas has no intention of addressing the housing affordability crisis, and it would halt the progress that is currently being made. As lawmakers, you have consistently heard from your constituents that they are struggling to keep up with housing costs, and the data validates their concerns.

- U.S. home values have been increasing rapidly,¹ which has caused property taxes to rise alongside them. Some Kansans have seen their property taxes increase by as much as 90% from 2019 to 2023.
- Rent in Kansas has increased by 20% since 2019.² This has resulted in 126,000 Kansas renters being cost burdened,³ spending more than one-third of their income on housing.
- The vast majority of extremely low-income renters in Kansas (73%) are spending more than 50% of their income on housing costs, leaving little money for other expenses.⁴

¹ Federal Housing Finance Agency. (June 2024). *House Price Index (HPI) Quarterly Report*. https://www.fhfa.gov/sites/default/files/2024-08/HPI_2024Q2.pdf

² U.S. Census Bureau (n.d.). *American Community Survey, 1-Year Estimates 2019-2023*.

³ Green, C. (September 5, 2024). "Data Reveals Surprising Truths about Kansas Housing." *The Journal*. <https://klcjournal.com/data-reveals-surprising-truths-about-kansas-housing/#:~:text=A%20cost-burdened%20household%20is,compared%20with%2019%25%20of%20homeowners>

⁴ National Low Income Housing Coalition. (n.d.). *Housing Needs by State: Kansas*. <https://nlihc.org/housing-needs-by-state/kansas>

- Due to the increase in costs, evictions and homelessness are on the rise. The number of Kansans experiencing homelessness has increased by 395% in the past five years.^{5, 6}

It is abundantly clear that we are in the middle of a housing affordability crisis. Many experts agree that the affordability problem can be attributed to a housing stock shortage. We have been underbuilding since the 2008 housing crisis, and it has caught up with us. A 2022 analysis by the National Low Income Housing Coalition showed Kansas had a shortage of 52,340 rental homes that were affordable and available for extremely low-income renters.⁴

This lack of housing is costing the state in very tangible ways. Administrators from the Larned State Hospital have reported that they are unable to hire full-time nurses and cited lack of affordable housing as one of the reasons. Instead, they are paying short-term contract nurses nearly twice as much.

During the 2024 Kansas Housing Conference, a housing program administrator in northwest Kansas reported that their community had recently hired a doctor, but that the new hire had not yet arrived because they couldn't find a place to live. Analysis has also shown that the cost of supportive housing is far less than what it costs to provide services for people experiencing homelessness, further suggesting that providing housing infrastructure will save our state money in the long run.⁷

The AHTC that was passed in 2022 has already led to 2,200 new affordable units being built. This progress is worthy of celebration, but it is only 5% of the inventory needed to provide relief to Kansas families. We urge the Legislature to stay the course and continue the AHTC program.

We do not share the opinion that we can't afford this program; rather, we believe we can't afford not to continue this program. The compounding of \$25 million per year, eventually resulting in as much as \$250 million per year, is well worth it to address the biggest crisis our residents are facing today and to provide a prosperous future for Kansas families.

Thank you for the opportunity to provide testimony on this topic, and please do not hesitate to contact me at dustin@kac.org if you have additional questions.

⁵ U.S. Department of Housing and Urban Development. (September 2019). *HUD 2019 Continuum of Care Homeless Populations and Subpopulations*. https://files.hudexchange.info/reports/published/CoC_PopSub_CoC_KS-507-2019_KS_2019.pdf

⁶ Kansas Statewide Homeless Coalition. (2024). *Kansas Point-in-Time Count 2024*. <https://drive.google.com/file/d/1a1J9yuQL82rDgxbMFAgWcMFHneTkSwA8/view>

⁷ National Alliance to End Homelessness. (February 17, 2017). *Ending Chronic Homelessness Saves Taxpayers Money*. <https://endhomelessness.org/resource/ending-chronic-homelessness-saves-taxpayers-money-2/>