



Kansas Statewide Homeless Coalition

Written Only Opposing Testimony Regarding HB 2119

Kayla Knier, Director of Regional Coordination at the Kansas Statewide Homeless Coalition

Date: 2/3/2025

Kayla Knier

Kansas Statewide Homeless Coalition

2001 Haskell Ave

Lawrence, KS 66046

Remote Location: Garden City, KS

I am writing to express my opposition to the proposed bill HB 2119 that would eliminate the Affordable Housing Tax Credit (AHTC) in Kansas. The AHTC, which provides a ten-year tax credit matched to the federal Low-Income Housing Tax Credit (LIHTC), is a vital mechanism enabling public-private partnerships to build affordable housing for residents earning 30% to 80% of the area median income (AMI) across the state. Eliminating this credit will have severe consequences for housing affordability, stability, and our state's economic growth.

The current housing crisis in Kansas underscores the importance of the AHTC:

- **Severe Shortage of Affordable Housing:** Kansas is facing a shortage of 52,340 rental homes that are affordable and available to extremely low-income renters.
- **High Cost Burden:** Approximately 73% of extremely low-income renters in Kansas are severely cost-burdened, spending more than half of their income on housing.
- **Mismatch Between Wages and Housing Costs:** To afford a modest two-bedroom apartment at Fair Market Rent (\$1,060 per month), a household must earn \$42,390 annually—far beyond what most low-wage workers earn.

Without the AHTC, affordable housing construction will stagnate, leaving families and individuals vulnerable to increased housing costs, housing insecurity, and homelessness. Kansas saw a **6% increase in homelessness in the 2024 Point-in-Time Count**, and homeless response systems across the state are reporting a rising number of working individuals and families experiencing homelessness. If the AHTC is eliminated, we will undoubtedly see a significant spike in homelessness and housing instability.

It is well-documented that Kansas has been underbuilding housing since before the 2007 recession. The private market alone cannot meet the growing demand for affordable homes. The AHTC is a critical tool to address this gap by incentivizing developers to build housing for low- to moderate-income residents. Without this incentive, developers have testified that affordable homes will not be built, exacerbating an already dire situation.

By preserving the AHTC, Kansas can continue to address housing insecurity, stabilize families, and promote long-term economic growth. This aligns with the Kansas Housing Association Network's (KHAN) core recommendation to maintain the Affordable Housing Tax Credit Act and ensure affordable housing remains a priority across the state.

I urge you to carefully consider the far-reaching impact of eliminating the AHTC and vote against this bill. Kansas must prioritize investments in affordable housing to create stronger, more resilient communities and reduce the growing risks of housing instability and homelessness.

2001 Haskell Ave. Lawrence, KS 66046

Staff@kshomeless.com

www.kshomeless.com



United Community Services of Johnson County

In-Person *Opponent* Testimony to House Bill 2119
Christina Ashie Guidry, Director of Policy & Planning, UCS

Date: February 6th, 2025
Kristy Baughman, Executive Director
United Community Services of Johnson County, Inc.
9001 W. 110th St., Ste 100
Overland Park, KS 66210

Dear Chair Tarwater and Members of the House Committee on Commerce, Labor, and Economic Development:

Thank you for the opportunity to testify in **opposition to House Bill 2119**. United Community Services is a nonprofit that provides data analysis, leads collaborative planning, and mobilizes resources to support the success of our community's most vital resource – its people.

Unlike other states, Kansas is experiencing a period of economic growth, with new employers investing in our state. But employers need new employees and employees need housing. Jobs and homes go hand-in-hand. However, Kansas has an acute housing shortage: missing approximately 100,000 units of housing for residents earning less than \$50,000/year [because Kansas has been underbuilding new housing units for decades](#). Between 2018-2023, rents in Kansas went up by 31% on average and mortgages 29%; as a result, more Kansas families and retirees are unable to pay for monthly essentials like food, utilities, and healthcare.

The Kansas Wage Survey shows that Kansans in our top five occupations can afford to pay *under* \$700-1,100/month, including utilities, for housing. Testimony from localities, builders, and developers during the 2024 Special Committee on Available and Affordable Housing indicates that \$700-1,100/month housing requires *public-private partnerships* to develop.

The Affordable Housing Tax Credit (AHTC) is that public-private partnership. Passed in 2022, it makes Kansas competitive with other midwestern states, who also offer the credit. The AHTC provides a match to the federal low-income housing tax credit (LIHTC) and has rigorous requirements and enforcement mechanisms, ensuring housing is available for seniors and lower-income residents for at least thirty years. The AHTC brings new income, jobs, and revenue to local communities. [Georgia's analysis of its tax credit](#) found \$5.79 in economic benefit for every \$1 state dollar invested.

While the cost of AHTC is matched by federal LIHTC investment, it is substantial. KHRC has indicated that the current 10-year tax credit offered by AHTC could be reduced to 6 or 7 years and continue supporting new housing. Today, the AHTC is making strides in reducing Kansas' housing shortage – supporting about 2,600 new units of housing every year and has, in its first two years, led to new housing to Colby, Abilene, Goodland, Phillipsburg, Manhattan, Saline, and Lansing in addition to the big five counties.

We **oppose House Bill 2119** which would eliminate the AHTC and result in even higher housing costs and greater housing insecurity. If a reduction is necessary, then reduce the term of the AHTC tax credit from 10 years to 6 or 7 years.

* Sources: 2023 GAP Report, National Low Income Housing Coalition, p. 29; U.S. Census American Community Survey 2018 and 2023 1-year estimates; Kansas Wage Survey, 2024.

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February 6, 2025

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>