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## United Community Services of Johnson County

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

Date: February 6<sup>th</sup>, 2025 Kristy Baughman, Executive Director United Community Services of Johnson County, Inc. 9001 W. 110<sup>th</sup> 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. <u>Georgia's analysis of its tax credit</u> 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.

