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February 5, 2025

House Committee on Commerce, Labor and Economic Development State Capitol 300 SW 10th Street Topeka, KS 66612

Re: Health Forward Foundation opposition to House Bill 2119 – eliminating the Kansas affordable housing tax credit act

Chair Tarwater and Members of the Committee:

On behalf of Health Forward Foundation (Health Forward), I submit this written letter of testimony in opposition to House Bill 2119. We oppose the elimination of the affordable housing tax credit due to the deleterious effects it would have on many Kansans. Safe, stable, affordable housing is a basic need and a human right for all. Where we live determines our physical and mental health, quality of life, access to education and economic outcomes. Kansans deserve safety and security in their housing choices.

Based on the <u>2024 annual report</u> by the Kansas Housing Resource Corporation (KHRC), throughout many counties in Kansas there is a shortage of housing supply that is affordable to families. Consequently, many homebuyers and renters in urban, suburban, and rural areas <u>have been priced out</u> of the housing market and are experiencing high-cost burdens. The <u>American Community Survey</u> indicates that 27% (nearly 400,000) of all Kansan households rent their homes and nearly half of Kansas renters are spending more than 30% of their gross income on housing.

Conversely, <u>according to a report by IFF</u>, the housing tax credit has been an essential part of the funding utilized by many developers to meet the challenges of producing safe, affordable housing in Kansas rural communities. The tax credit for housing in Kansas has been invaluable for closing the cost gap and has provided an innovative and necessary way to help produce and preserve affordability to Kansas residents.

Kansas and its residents are facing economic and housing challenges that need further investment by the state government, not subtractions. The Kansas' housing tax credit is an essential part of providing the resources necessary to meet the needs of Kansas residents. We encourage the legislature to support ways to increase access to affordable housing to ensure all Kansans have the opportunity to live healthy and successful lives.

Please feel free to contact me at rgibson@healthforward.org Respectfully,

Robert Gibson, M.S, M.P.H. Impact Strategist - Policy Health Forward Foundation

> OUR PURPOSE

Every day we work to support and build inclusive, powerful, and healthy communities characterized by racial equity and economically just systems.