



House Bill No. 2119

Opponent Testimony to the House Committee on Commerce, Labor and Economic Development February 6, 2025

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

The Kansas Housing Association (KHA) appreciate the opportunity to submit our comments on House Bill No. 2119, as do our members and coalition partners, who are here today to offer opponent testimony.

KHA represents over 67 organizations, including leading companies, industry experts, and advocates in affordable housing from across the state. Together, we work to strengthen Kansas' economy by promoting the availability of safe, quality, and affordable housing throughout the state. We believe that affordable housing is essential to building healthy, thriving communities.

We strongly oppose HB 2119, which proposes the termination of the Kansas Affordable Housing Tax Credit (KAHTC) program effective July 1, 2025.

The bill, as currently drafted, ties any allocation of state tax credits to the issuance of IRS form 8609 by June 30, 2025. I believe it is important to note, this form is not issued until after a building is placed in service, leased up, has stabilized occupancy, and secured permanent loan funding—processes that can take months from completion of construction.

If passed in its current form, HB 2119 provides no protections for approved projects currently under development or construction that will not receive a form 8609 by June 30, 2025. Without this form, projects already awarded tax credits by the Kansas Housing Resources Corporation (KHRC) would no longer qualify for KAHTC allocations. The consequences would be devastating - resulting in a loss of over \$1 billion in housing opportunities for communities statewide.

Most concerning, however, is the potential for breach of contractual and financial commitments, which could lead to bankruptcies and the collapse of many Kansas-based companies. The ripple effects would extend to development teams, subcontractors, and suppliers who depend on the continuity of these projects for their livelihoods.

Beyond the immediate impacts on individual projects, the elimination of the immediate elimination of the KAHTC program would create widespread uncertainty in Kansas' housing and economic development landscape. The state would lose significant momentum in addressing its housing shortage, and future investors and developers could lose confidence in the stability and reliability of Kansas' housing programs.

For these reasons, we oppose HB 2119 in its current form and urge you not to advance the bill.

Thank you for your consideration.

Tony Krsnich
Kansas Housing Association, Inc.

Kansas Housing Association Membership

Advantage Capital	Mennonite Housing Rehabilitation Services, Inc.
Alcove Development	Mesner Development Group
Affordable Equity Partners, Inc.	Midwest Housing Equity Group
AMD Partners, LLC	Norton City/County Economic Development
American Community Developers, Inc.	Northwest Kansas Economic Innovation Center
BOK Financial	Northwest Kansas Housing, Inc.
City of Lawrence	Novogradac & Company, LLP
Cohen Esrey, LLC	Old Town Development
Commonwealth Development	Overland Property Group
Community Housing Development of Central Ks	Phase Engineering, LLC
Community Housing of Wy County	P. W. Michaelis
Cornerstone Associates, LLC	Raymond James
Cornerstone of Topeka	Red Fox Inspections
Dodge City-Ford County Development	Red Stone Equity Partners
Dominium	Roanoke Construction
DS Ventures	Rosin Preservation
Excel Development Group	Savage and Browning
ElevateEdgerton!	Seldin Company
Flint Hills Holdings Group	Sterling Bank
Frontier Development Group	Sugar Creek Capital
Habitat for Humanity Kansas	Tier 1 Development Group, LLC
Homestead Affordable Housing, Inc.	Tenants to Homeowners
Hoppe Development	The MCP Group
Horizon Bank	The Prime Company
Housing Opportunities, Inc	Topeka Housing Authority
Intrust Bank	Vintage Construction
Investment Resources Corp	Wallace Architects
JCM Ventures, LLC	Windyridge Development, LLC
Jones Gillam Renz Architects	Weigand Omega Management
Kansas Housing Resources Corporation	Wheatland Investments Group
Legacy Bank and Trust	Woodco, Inc
Marian Development Group	Young Management Corporation
MarksNelson, LLC	Zimmerman Properties, LLC
MBL Development Co	