



## **Senate Bill No. 283**

### **Opponent Testimony to the Senate Committee on Assessment and Taxation March 5, 2025**

Chairwoman Tyson and Members of the Senate Committee on Assessment and Taxation:

The Kansas Housing Association (KHA) appreciate the opportunity to submit our comments on Senate Bill No. 283, 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 SB 283. As introduced SB 283 proposes to discontinue the Kansas Affordable Housing Tax Credit (KAHTC) program on April 1, 2025 along with a number of other tax credit programs in exchange for reductions in the state income tax rate starting in 2028.

The KAHTC program has proven effective in getting housing developed. In 2022, prior to the state credit 462 homes were built, while 4,734 units were approved for development in 2023 and 2024, with a total development budget of \$1.098 billion. And many new units are pending for 2025.

The bill, as currently drafted, provides no protections for approved projects currently under development or construction that are not in service yet and would have a devastating impact on housing projects currently in development or under construction, resulting in a loss of housing opportunities for communities across Kansas.

The term "allocated" used in the section 8 on page 10, related to the KAHTC, might have unintended consequences and may have broader impact than just the KAHTC. I believe it is important to note that there are awarded projects in various stages of development and construction, an allocation certificate 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 the intention is to mean the no allocation certificates can issued by Kansas Housing Resources Corporation after March of this year and that projects already awarded tax credits but not in possession of an allocation certificate 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 Kansas based development teams, architects, engineers, contractors, subcontractors, and suppliers involved in local projects, 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 Senate Bill No. 283 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	Menonite 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	