



United Community Services of Johnson County

Written Only *Opponent* Testimony to Senate Bill 283 Kristy Baughman, Executive Director, UCS

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Kristy Baughman, Executive Director

United Community Services of Johnson County, Inc.

9001 W. 110th St., Ste 100

Overland Park, KS 66210

Dear Chair Tyson and Members of the **Senate Committee on Assessment and Taxation**:

Thank you for the opportunity to testify in **opposition to Senate Bill 283** 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. **We oppose Senate Bill 283 because we strongly support the Affordable Housing Tax Credit.**

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 nearly 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, the AHTC makes Kansas competitive with other midwestern states, including all our neighbors, who offer the credit. The AHTC provides a match to the federal low-income housing tax credit (LIHTC); through it, Kansans pay about \$110,000/housing unit over a 10-year period – which then guarantees *rents remain affordable for seniors, core workers, and lower-income residents for at least 30 years*. This housing enhances the local property tax base and helps stabilize housing prices – and ultimately property taxes – for residents. Too, 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 dollars and results in significant economic benefits; the cost is substantial. UCS supports a compromise – a reduction in the credit, instead of elimination. KHRC has suggested a 6 or 7-year credit instead of 10 years; a compromise amendment offered in the House provided for a 5-year credit, representing a 50% savings. 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 in Augusta, Winfield, Newton, Colby, Abilene, Liberal, Goodland, Phillipsburg, Manhattan, Saline, and Lansing in addition to the big five counties.

We oppose Senate Bill 283 which would eliminate the AHTC and result in even higher housing costs and greater housing insecurity.

* Sources: 2023 GAP Report, National Low Income Housing Coalition, p. 29; U.S. Census American Community Survey

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