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March 5, 2025

Senate Committee on Commerce 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 Alley and Members of the Committee:

On behalf of Health Forward Foundation (Health Forward), I submit this letter of testimony in opposition to House Bill 2119. Health Forward opposes the elimination of the Kansas Affordable Housing Tax Credit because it is an invaluable tool for closing the cost gap and provides an innovative and necessary way to help produce and preserve affordable housing for Kansas residents without increasing individual tax burdens. Safe, stable, affordable housing is a basic need and a human right for all Kansas residents. 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 American Community Survey 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. When families pay increasingly larger proportions of their income on housing, they experience negative health impacts. These may include foregoing basic medical care, moving frequently or facing evictions, high stress levels that impact physical and mental health, long commute times, limited money for healthy foods, and a lack of quality social connections with family and friends. Conversely, according to a report by IFF, 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.

Access to safe, stable, attainable housing is key to the health and well-being of a vital and productive Kansas workforce. When Kansans, including renters, can remain housed, then all Kansans benefit: businesses retain quality employees, local governments see fewer strains on social services, law enforcement, and hospitals, and children retain access to quality care and education – building the workforce of tomorrow.

Residents of Kansas are facing economic and housing challenges that need further investment by state government, not subtractions. The Kansas' housing tax credit is an essential part of the resources necessary to meet the housing and economic needs of Kansas residents. We encourage the legislature

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

to support ways to increase access to affordable housing to ensure all Kansans can live healthy and successful lives.

Please feel free to contact me at rgibson@healthforward.org if you have any questions.

Respectfully,

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