

**Kansas Department of Commerce  
Testimony on SB 34  
Rachel Willis, Director of Legislative Affairs  
at the Kansas Department of Commerce  
Senate Financial Institutions and Insurance  
February 8, 2023, 9:30 A.M.  
Room 546 S**

Thank you for allowing us to testify in support of SB 34. This bill expands the use and availability of the Rural Housing Incentive Districts.

Housing must continue to be a priority as we mitigate labor shortages across the state. We applaud the legislature for taking critical steps during the 2022 session to address the housing crisis that is facing our state. Available housing continues to be an issue as we work to recruit and retain people in Kansas.

We believe a few more important strides should be taken to strengthen our strategies to alleviate the housing issue. SB 34 is taking an important step by expanding the use of RHID to seven additional communities. Furthermore, this amendment will support local infill development by allowing infrastructure that has been in place for at least 10 years with special assessments to utilize RHID for vertical construction. This flexibility was first introduced to the RHID program last session by SB 90 which focused on upper story RHID development.

In addition, we are supportive of establishing 1,650 square feet as the maximum square footage for homes benefitting from RHID. This will ensure that the program follows the original intent of the legislation. The maximum square footage will also allow the market to cap the price of the new home between \$275,000 and \$350,000 deterring the RHID program from supporting the development of large and expensive houses.

Lastly, we would like to see Section 4 expanded to include all forms of local finance options including, but not limited to, general obligation bonds and temporary notes. This change would again generate more flexibility and allow for enhanced further use.

Overall, we support any increase or expansion of RHID. It is a strong program that should be applied broadly across the state since the housing crisis is not specific to a region or communities of certain sizes.

Thank for allowing us to testify as proponents to SB 34. Please consider our proposed changes and pass SB 34 favorably.