

A Report from: Kansas Housing Advocacy Network (KHAN), Kansas Statewide Homeless Coalition (KSHC), United Community Services of Johnson County (UCS), ...

**Kansas: Take Action to Ensure Sustainable Economic Growth, Increase Housing Security, and End Homelessness**

### Executive Summary

Kansas faces a housing crisis with an estimated shortage of 100,000 housing units<sup>1</sup>. Kansas is also in a period of economic growth. To ensure sustainable economic growth, Kansas needs an abundant housing supply with attainable homes for every Kansan. Due, in part, to this housing shortage, homelessness has increased in Kansas in recent years but remains low compared to other states and can be solved. The Kansas Housing Advocacy Network (KHAN) is comprised of partners statewide working to address housing and homelessness including nonprofits, service providers, local government, faith-based organizations, people with lived experience of housing instability, and all five of [Kansas' Continuums of Care](#), which coordinate the work of private and public partners statewide to prevent and address homelessness. Kansas' housing shortage and homelessness have complex causes, so an effective response must be multi-layered.

Causes of housing insecurity and homelessness in Kansas are structural and individual. [The 2021 Kansas Statewide Housing Needs Assessment](#) identifies a severe shortage of attainable housing and a need to maintain and refurbish aging housing stock across the state. This shortage is acute for townhome and multiplexes that allow Kansas seniors to downsize and free up larger homes to growing families. There is also underinvestment in critical services that support Kansas households. Medical debt and rising costs of inflation in housing, food, and childcare, create additional pressures for seniors, those on fixed incomes, and working families – making them more likely to fall behind and lose housing.

The state is best positioned to ensure sustainable economic growth by addressing structural causes of housing insecurity and homelessness: the shortage of affordable housing, which impacts all Kansans – retirees, workforce, young families, and those experiencing homelessness; underinvestment in prevention efforts to keep vulnerable households housed; and underinvestment in services that stabilize households experiencing homelessness such as supportive housing combined with behavioral, physical health, and employment supports. States like Montana, Texas, Utah, Oklahoma, Missouri, and Arizona have made meaningful changes that Kansas should consider adopting.

Kansas can ensure sustainable economic growth, increase housing security, and end homelessness through a three-part response:

1. Incentivize development and retention of attainable housing where Kansans need it;
2. Act upstream to keep vulnerable Kansans housed, **and**
3. Invest in critical services *plus* housing supports to stabilize Kansans in homelessness.

This report outlines actionable policy recommendations and legislative changes that the Kansas legislature can undertake working with local governments and through private-public partnerships. For further information, please contact Christina Ashie Guidry, [christinag@ucsjoco.org](mailto:christinag@ucsjoco.org), or Christy McMurphy, [cmcmurphy@kshomeless.com](mailto:cmcmurphy@kshomeless.com).

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<sup>1</sup> See 2023 GAP Report, National Low Income Housing Coalition, p. 29; See also 2021 Kansas Statewide Housing Needs Assessment, Kansas Housing Resource Corporation, which found that gap increasing *annually* by 3,800-4,800 units in rural areas alone, excluding need in the most populous five counties.

## Kansas Policy for Sustainable Economic Growth, Increased Housing Security, and Ending Homelessness

### **I. Incentivize Development and Retention of Attainable Housing Where Kansans Need It: Use public-private partnerships to invest, incentivize, and expedite building and maintaining homes to resolve our housing shortage:**

- The private market has fallen short; Kansas has been underbuilding housing since before the 2007 recession. Like other Midwest states, Kansas should maintain the new Affordable Housing Tax Credit Act (AHTC), which provides a state match for federal low-income housing tax credit (LIHTC). With AHTC in 2023, Kansas saw a >400% increase in LIHTC projects with 2,177 new units statewide. Using AHTC, Kansas can fully leverage federal housing incentives with 22,000 new workforce housing units in the next 10 years, with guaranteed affordable rent for 30 years.
- Create a dedicated revenue source for the State Housing Trust Fund, administered by KHRC (Kansas Housing Resources Corporation), which provides homelessness prevention, incentivizes building attainable workforce housing, supports home weatherization and rehabilitation, and downpayment assistance for first-time homebuyers. Kansas has rapidly aging housing stock with median housing age pre-1960s for many counties. Home repair, modification, and weatherization are high impact strategies to retain existing housing so Kansans can safely age in place. Arizona, Nebraska and Missouri use recording, development and real estate tax fees to address housing needs.
- Support *responsive* housing development across Kansas. Montana is increasing housing supply by reducing regulatory burdens and increasing individual property rights, particularly in areas with a population of 5,000 or more, by allowing accessory dwelling units and duplexes by-right in residential areas without any additional requirements, allowing multifamily units by-right on any property with commercial zoning, and eliminating local review by volunteer boards to expedite the review process. Similarly, Houston reduced lot size to 1,400 square feet and has had nearly 4,000 different developers of about 17,000 parcels, leading to sustainable economic development, population growth, competitive home values and significant reduction in homelessness (down 62% since 2012).
  - Ensure local control and responsiveness by repealing KSA 12-16,120, which prohibits local governments from requiring affordable housing in new developments.
  - Encourage local governments to expedite the development process; for example, incremental developments for in-filling and pre-approved patterned developments as in the City of Overland Park.

### **II. Act Upstream to Support Housing Security: Strengthen Kansas' safety net so that cost-burdened households (paying more than 30% of their income on housing), such as seniors and working families, can remain stably housed:**

- Provide strategic rental assistance and tax sale relief to keep Kansans housed. Since 2001, rents have increased an average of 19%, while wages have grown 4%.<sup>2</sup> Arizona uses a statewide housing trust fund to provide rental assistance to low-income seniors and families with children. Iowa and Nebraska use annual appropriations to subsidize rent for low-income individuals with disabilities, serious mental illness or substance use recovery.<sup>3</sup>
- Limit wealth extraction of Kansans by out-of-state corporations and private equity firms purchasing swathes of homes and using tools like pricing algorithms to dramatically increase rent.<sup>4</sup> Consolidation of housing ownership eliminates local landlords and reduces community well-being. Kansas families lose out on becoming homeowners and building wealth.
  - Allow localities to require rental registration with fees or taxes based on the number of rentals or ownership percentage in an area, require a local representative present in the jurisdiction to receive correspondence on behalf of the property, perform periodic interior inspections, and require air conditioning for housing, repealing KSA 12-16, 138.
  - Like Utah, Idaho, and Nevada ensure fee transparency and caps on fees.

<sup>2</sup> Bailey, Anna, et al., *Policymakers Can Solve Homelessness by Scaling Up Proven Solutions: Rental Assistance and Supportive Services*, Center for Budget and Policy Priorities, June 12, 2024, <https://www.cbpp.org/research/housing/policymakers-can-solve-homelessness-by-scaling-up-proven-solutions-rental>.

<sup>3</sup> See a range of U.S. rental assistance programs, <https://www.huduser.gov/portal/periodicals/cityscape/vol20num2/ch4.pdf>

<sup>4</sup> See a series on the impact of mega-investors in the Kansas City region by Mid-America Regional Council, <https://marc.org/news/economy-housing/housing-production-kansas-city-region-continues-lag-peer-metros>.

- Reduce the property tax burden for seniors and disabled individuals as rapidly increasing home values have created significant financial burdens. Expand the Homestead Act to include more households, including renters, and/or SAFESR – Kansas Property Tax Relief for Low Income Seniors, to ensure Kansans can afford their homes.
- Expand KanCare eligibility or Medicaid so Kansans can work and don't lose housing because of lack of healthcare access or medical debt. Kansans with health insurance access preventive treatment – avoiding severe health conditions and staggering medical bills. About 10% of Kansans are in medical debt each year, a significant factor in losing housing.
- Enact [Kansas Employee Emergency Savings Accounts \(KEESA\)](#). Nearly 60% of Americans can't cover an unexpected \$1,000 expense, making them vulnerable to losing housing. KEESA allows an employer tax credit, up to \$375, in matching funds for employee emergency savings accounts. This encourages employee saving, with up to \$1500 as a state income tax deduction, reduces use of high-interest loans, and supports financial literacy and stability.
- Support full employment and childcare supports as a pathway out of housing vulnerability:
  - Reduce or eliminate ineffective fines and sanctions for nonviolent offenses that criminalize poverty and act as barriers to obtaining or maintaining housing and employment, such as parking tickets, moving violations, jaywalking, and probation or parole fees.
  - Increase funding for education [in trending career fields](#) so Kansans can meet the needs of its employers and to complement Kansas City region's (Columbia, MO to Manhattan, KS) [new designation as a technology hub](#).
  - Increasing funding for childcare assistance; [lack of childcare and cost of childcare are primary reasons](#) that Kansas caregivers are not in the workforce. The 2023 Special Committee on Child Care Centers and Child Care Homes recommended creating tax credits for childcare workers and a state level child tax credit.
    - Expand [Child Day Care Assistance Tax Credit](#) so it can be used by working parents.
    - Pass 2023 [SB 164](#) to provide a \$2,000 tax credit for qualified employees of licensed childcare centers.
    - Institute a state tax credit for children, like [Utah](#) and [Minnesota](#).
    - Utilize Kansas' unspent \$62M in Temporary Assistance for Needy Families (TANF) to provide basic assistance and childcare for low-income families.
  - [39% of employed Kansans](#) are not making enough to cover basic expenses. Increase the minimum wage in Kansas to meet the minimum wage of our neighbor, [Missouri](#), to ensure Kansas workers can afford housing.
- Align Kansas with forty-one other states, including Texas and Florida, [in reducing the state's burden to administer food benefits by adopting Broad-Based Categorical Eligibility](#) and increasing access to food benefits for qualifying families. [A 2022 KU study](#) found even small increases in WIC and SNAP provide family stabilization, improved health, and reduced use of Kansas' costly foster care system and emergency departments.

### **III. Stabilize Kansans Experiencing Homelessness: Invest in effective programs that address underlying causes of homelessness through housing and supportive services to ensure housing stability and self-sufficiency in Kansas:**

- Re-instate the Kansas Interagency Council on Homelessness to promote greater partnership between all state agencies, health care providers and CoC programs and to develop a statewide plan to address homelessness.
- Provide *matching* funds for HUD funding that supports each CoC's Homeless Management Information System (HMIS). Each CoC has a designated HMIS lead agency that maintains data collection and outcomes. Service providers utilize HMIS to coordinate care of clients. Providing matching funds is an effective use of tax dollars; it removes a significant barrier to data collection and maintenance for nonprofits and faith-based organizations and allows for program evaluation and continuous improvement.
- Provide *matching* funding for federal funds that address homelessness *conditioned* on participation in and providing financial support for consistent, statewide data collection and outcomes through the Homeless Management Information Systems (HMIS). The state cost for 25% matching funds for Continuums of Care addressing homelessness would be between \$3-3,500,000.
- Address underlying contributors to homelessness by increasing investment in medical, mental and behavioral health:
  - Expanding Medicaid will providing funding for crisis centers and Certified Community Behavioral Health Clinics (CCBHCs) to expand access to treatment and support *for constructing or rehabilitating housing* to stabilize individuals receiving care, like cost-saving permanent supportive housing projects with CCBHCs like [500 in Five](#) in Kansas City, Missouri. [UMKC analysis](#) found after intervention that ongoing housing, case

management, and medical costs were \$44/day compared to pre-intervention costs of \$153/day for intensive hospitalization, psychiatric inpatient services, and emergency responders for program participants.

- Ensure rural Kansans have access to programs that support housing stability and self-sufficiency through additional targeted investment as presented by the Governor’s Behavioral Health Services Planning Council’s September 2024 report:
  - Supportive Housing Funds (SHF) increase of \$150,000 for a total of \$685,714.<sup>5</sup>
  - Projects for Assistance in Transition of Homelessness (PATH) increase to \$300,000 and expand PATH eligibility to non-CMHC agencies so rural Kansans can access services.<sup>6</sup>
  - Options Housing (previously Interim Housing Programs) increase to \$192,500 from \$92,500.<sup>7</sup>
  - Enhance SSI/SSDI Outreach, Access, and Recovery Services (SOAR) through KDADs coordination, a DCF/DDS partnership to ensure claims are handled in Kansas, and by allowing non-CMHC agencies to be reimbursed for SOAR services so that Kansans in rural areas have access to services.
- Ensure full utilization of federally-funded housing choice vouchers (HCV) like Oklahoma, [North Dakota](#), and [Utah](#) support full utilization of housing choice vouchers (HCV) by prohibiting discrimination on the basis of source of income. Provide funding for housing navigators and landlord incentive and mitigation programs, like in Wyandotte County. Despite years-long waitlists, HCVs cannot be fully utilized in Kansas because landlords or management companies will not accept them; for example, Dodge City is only able to use one-third of its vouchers.
- Like [Utah](#), enact legislation that allows for expungement of evictions, which currently act as a permanent bar to housing. In Utah, parties can agree to expungement, an eviction can be expunged by petition or expunged automatically if certain conditions are met. Tenant reporting agencies are required to monitor expungements, ensuring qualifying tenants are able to access housing.
- Encourage courts to adopt *mandatory* eviction mediation, modeled on the 10<sup>th</sup> District program, which is low-cost and high impact, benefitting property owners, renters, law enforcement, and the court system.
- Invest in cost-effective strategies to end homelessness through an allocation of \$120M over five years in matching funds for emergency housing infrastructure, operating costs, and supportive services in rural, urban, and suburban areas. Funding should require collaborative relationships between law enforcement and service providers to divert households at risk of or experiencing homelessness from costly and unproductive engagement with the justice system and support cost-effective, rapid stabilization. Qualifying programs should utilize HMIS, participate in the regional CoC, and comply with HUD requirements.

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<sup>5</sup> SHF provides low-barrier, affordable housing resource to potentially homeless individuals with incomes at or below 110% of the federal poverty rate and who have a significant physical and/or behavioral health impairment.

<sup>6</sup> PATH is a critical outreach and supportive service to connect Kansans experiencing homelessness and a Severe Mental Illness and/or a co-occurring disorder with needed mental health, substance use treatment, housing, and other services and benefits.

<sup>7</sup> Options is short-term and provides immediate, community-based housing for adult individuals who are homeless or at-risk due to exiting a publicly funded institution. Participating individuals generally have a behavioral health impairment, are un/under-insured, and lack current income.