



# HOUSING HIGHLIGHTS

## 2024 SPRING UPDATE

3/29/2024

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### President's Message

Dear Kansas Housing Association Members,

It has been my great honor to serve on the Board of Directors of KHA for the last 6 years and to be able to serve as the current President. I have great memories of the first KHA Meetings taking place in a boardroom above a bank in downtown Topeka. At the initial meetings I don't believe any of the attendees could imagine how much KHA would accomplish in the years to come. 10 years later KHA is a thriving advocate for the Affordable Housing Industry and helps to support efforts across the state.

KHA's success is 100% contributed to YOU, our members, and the families we all serve in the Affordable Housing industry. We are developers, syndicators, lenders, service providers, public housing authorities, nonprofits and advocates that ensure there is sufficient affordable housing resources available for us to meet the needs of Kansans who depend on these efforts to provide a home for their family.

KHA and our members have developed meaningful relationships and friendships with key organizations and individuals that have confidence in our members' expertise. We are recognized and welcomed when we travel to Washington DC each year to meet with the Kansas Delegation due to intentional efforts to reach out and be a resource and we have been very successful in doing so. I do have to give a big thanks to Josh Yurek, one of our Board Members, and MHEG who has spent years helping to develop these relationships. We are always invited to the table at Kansas Housing Resources Corporation (KHRC) as we value the work they do, and they appreciate our members' knowledge and insight. Our amazing Executive Director, Doug Smith, works tirelessly for our Association as well as advocating at the State Legislature every year and is a trusted resource at the State and Federal level. Michel Carter, our Membership Coordinator, does an outstanding job getting new members



### JOIN A KHA COMMITTEE

If you haven't already joined a KHA committee, please consider doing so. All of our committees are in need of housing industry experts willing to share their unique perspectives with other KHA members. If you are interested in joining a committee please contact our office.

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HOUSING HIGHLIGHTS IS A WEEKLY LEGISLATIVE SUMMARY PREPARED BY KHA, INC. KANSAS GOVERNMENT AND STATEWIDE NEWS ARE GATHERED AND COMPILED INDEPENDENTLY FROM VARIOUS MEDIA REPORTS.

**KHA BOARD OF DIRECTORS**  
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Director - Dan Sallier  
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## President's Message Continued

onboarded, and supported to get involved in the organization. KHA would not be the success it is without their time, efforts, and talents.

The future of KHA is bright, but not one without challenges. State and Federal budgets and appropriations are a constant concern and will require even more work from all of us. I have confidence with our current membership, and those that will join in the future, that collectively we will navigate the road ahead and continue to be successful in bringing the need for affordable housing to the forefront of every conversation and finding the resources to ensure there is sufficient quality, affordable and moderate-income housing available to all Kansans.

Trey George, KHA President

## KHA Member Spotlight – Gabe Woodman, Woodco

**Provide a brief description for KHA members about what Woodco does in relation to the affordable housing industry.**

- Woodco, the construction division under a corporate umbrella, boasts a legacy of over three decades in constructing multi-family and affordable housing projects. With a steadfast commitment to excellence, Woodco is dedicated to implementing high-quality and efficient building methodologies that not only enhance value but also ensure the longevity of its projects.

**Are there any recent affordable housing projects you've been involved with or any you would like to tell our members about briefly?**

- The newest addition to Woodco's portfolio in Kansas is Whittier Place II, marking the second phase of a multi-phase development featuring both affordable and market-rate housing in Emporia, KS. This phase consists of 24 affordable units and 24 market-rate units, totaling 48 family residences.

- Woodco has recently finalized the renovation of the Ogelsby Hotel Apartments, a challenging project that involved the transformation of a historic mansion and hotel. Situated within the South Hyde Park Historic District of Kansas City, MO, this endeavor has resulted in the creation of 25 affordable family units.

- Woodco is currently under construction on the Villas at Choctaw Creek, located in Choctaw, OK. This development comprises 50 affordable and 4 market-rate family duplex units, complemented by a clubhouse, scenic walking paths, and storm shelters.

**What information about Woodco is important for our KHA members to know?**

- Woodco is part of a family of companies, including Merak Development, LLC, as its development counterpart. We prioritize operating with a commitment to being fair and displaying integrity and expect our partners to hold these values in high regard as well.



## KHA Member Spotlight continued

**What trends and changes do you foresee in your industry? Do you believe it will affect affordable housing?**

- I recognize a promising opportunity amidst the economic slowdown and the anticipated decrease in interest rates, possibly sooner rather than later. The production of affordable housing has significantly decreased due to inflation-driven shortages of timely and cost-effective materials, as well as the challenge of securing quality labor. However, I anticipate this trend easing in the near future. Non-affordable projects are being sidelined due to the aforementioned factors, while the demand for affordable housing continues to surpass production.
- The trend I am most hopeful to see come to fruition is commercial conversion. While this can be a costly venture due to buildings not being specifically designed for housing, they often boast high-quality construction. Leveraging these structures could significantly increase the supply of affordable housing without the need to acquire land and embark on new developments from scratch. Additionally, many of these commercial locations are prime spots, offering tenants easy access to essentials and amenities through walking or public transportation, thus enhancing their quality of life.

## KHA New Member Spotlight – Housing Opportunities, Inc. Callie Miller, Executive Director

**Provide a short description for KHA members about how and when HOI became involved in the affordable housing industry.**

HOI was established in 1996 to help combat the affordable housing issues Barton County was facing at the time. We now serve 5 different counties across the state and are looking at expanding even more. While we mainly serve seniors, HOI does have some family units as well all serving low-income households.

**What affordable housing projects has HOI been involved in recently?**

Our most recent completed project was a 24 unit senior LIHTC project in Great Bend. We are getting ready to start construction on a 16 unit senior LIHTC project in Scott City. We are also the contractor for MIH housing in Stafford County that is currently under construction.

**What information about HOI is important for our KHA members to know?**

HOI is a very active CHDO that is dedicated to providing quality affordable housing to the communities we serve.

**What trend and changes do you foresee in the affordable housing market?**

Developers are being faced with so many obstacles between rising costs of construction, insurance and appraisal issues, etc. I hope to see some changes on the state and federal levels to help combat those things that are creating such huge issues in regard to affordable housing in general.

**Any other information you would like to provide?**

HOI is a small staff of only 7 employees. We build our own projects but also operate and maintain them all in house as well. Our small staff is extraordinary but we somehow make it all work!



## CONSTRUCTION OUTLOOK PRICE TRENDS

*By Pat Tolin, Chief Executive Officer - MCP Group*

### Construction Material Outlook – Q1 2024

#### **Lumber: Trending up**

In 2023, lumber prices experienced an overall decline following the spikes observed in 2020. Framing lumber prices have decreased by over 10% compared to the previous year, but over the past three months, there has been a slight uptick in prices. While we anticipate minimal variability in lumber prices in the upcoming months, a sustained recovery in the residential market is essential for any significant price changes.

#### **Steel: Trending up**

A notable characteristic of global steel prices is that they are highly cyclical. Despite witnessing several consecutive months in Q4 of cost decreases and decline in production levels, domestic mill increases are currently happening. This is primarily due to the Auto Workers' Strike. As auto comes back, steel buyers are willing to build inventory again. However, we have already seen a price increase on steel products in January, and there is expectation that there will be one or two more during Q1.

#### **Concrete: Trending up**

The cement and concrete market have experienced multiple cost increases over the past two years due to raw material, labor, and freight increases. The transportation freight costs associated with these commodities, due to their weight and specific production locations, contribute to higher prices in certain regions compared to others. Prices at historically elevated levels have recently begun to level out. However, this might be short lived. Consumption in 2024 is expected to rebound as interest rates ease and the positive impact of the Infrastructure Investment and Jobs Act, signed into law in November 2021, is felt.

#### **Roofing: Trending up**

Commercial construction roofing supplies are experiencing a moderate price increase driven by factors such as rising material costs and lack of qualified workers. Advanced commercial roofing solutions are growing more popular as they are perceived to have a lower environmental impact. Trends include an emphasis on sustainable and energy-efficient roofing materials, increased adoption of cool roofing and the integration of smart roofing systems for improved monitoring and maintenance.

#### **Drywall: Trending up**

There are many factors, such as technological advancements and product innovation, stringent building codes and regulations, and material availability that affect the growth and pricing of the Gypsum Board Industry. Supplier price increases are currently ongoing. We have already seen material price increases as we get settled into the new year, but inflationary impacts continue with some of the larger cost pressures coming from raw materials and transportation costs.

#### **HVAC/Electrical/Plumbing: Trending up**

Significant backlogs persist for equipment, particularly in mechanical, electrical, and plumbing categories. Electrical materials, specifically related to switchgear, transformers, and generators along with product specific HVAC equipment are poised for continued escalation due to rising demand and constrained manufacturing capacity. The industry is also witnessing a notable shift away from offshore suppliers, particularly in Asia, in favor of more reliable and stable sources. With the combination of many multibillion-dollar government



## Construction Material Outlook continued

infrastructure projects stressing supply and inflationary pressures, lead times, especially for critical components, continue to be a cause for concern, necessitating meticulous planning and forward-thinking. MCP has a proactive approach to procurement, leveraging data analytics strategically, and staying attuned to emerging trends which will be crucial in navigating these challenges.

### Summary Analysis

As we continue to ebb and flow through material price influxes due to supply chain constraints, inflationary pressures, and geopolitical stressors, a continued huge factor remains regarding the on-going labor shortage. The lack of skilled construction workers has multiple effects to the industry, such as projects potentially taking longer to complete or having problems with productivity and quality control. The U.S. construction industry unemployment rate averaged 4.6% for the second straight year, matching the second lowest level on record, while job openings remained historically elevated at an average of 377,000 per month through the first 11 months of 2023. It is estimated that the construction industry will need to attract an estimated 500,000 workers on top of the normal pace of hiring in 2024 to meet the demand for labor, according to the proprietary model developed by Associated Builders and Contractors. To address workforce demand that drives the U.S. economy, Congress must also look toward much needed reforms to our legal immigration system and provide high-demand industries, like construction, with access to new or expanded visa programs. Other Notable Highlights:

- Total US Construction Starts fell by 6.6% year on year (y/y) in Q4 2023
- Civil Projects, such as, Infrastructure, Roads, Wastewater Treatment Plants, etc., are anticipated to grow 12.7%

Careful project selection by building type and geography remains strategically important for industry professionals. While forecasting the ups and downs of 2024 is extremely difficult, through MCP's solutions-driven Preconstruction Service processes, we can dig in early and help plan and analyze for items such as material lead-times, supply chain issues, cost-effective building layouts, as well as assess building costs through conceptual cost assessments and subcontractor communication. Understanding these items early on allows Owner groups to make informed project planning decisions as we continue to navigate through many unknowns.

*Disclaimer: The information contained in this document is based on general market research and current and past experience in the construction industry and represents estimations and opinions only. Any reliance, action, or inaction based on any of this information is at your own risk and MCP has no responsibility, obligation, or any liability relating thereto.*

### Interesting in Serving on the KHA Board?

The KHA Board is always looking for new members interested in serving and this summer we will be working to fill spots on the board of Directors. The Board meets 4-6 times a year at various settings to conduct the Association business and plan future activities to strengthen the Association. If you are interested or know someone who might be, please let us know.

### *Have a ground breaking or ribbon cutting?*

We will post such events for KHA members on our website. Provide us the details and we will share your upcoming event with the membership.



## 2024 Kansas Housing Conference

The 19th annual [Kansas Housing Conference](#) will be held **Aug. 20-22, 2024** at the [Overland Park Convention Center](#). Join the state and region's leading housing professionals as we brush up on regulations, discuss industry trends, and network with fellow affordable housing advocates.

Interested in sharing your expertise with our attendees? We're planning our conference agenda now, and we welcome your ideas. Agenda topics include:

- Community / Social Services
- Compliance / Asset Management
- Construction / Rehabilitation / Maintenance
- Economic Development
- Financing
- Homelessness Response & Prevention
- Housing Advocacy
- Serving Special Populations
- Or other relevant housing topics!

[Learn more and submit your presentation online!](#)

Thank you to those who provided early suggestions for presenters and topics for this year's conference agenda. All suggested presenters must complete the submission process to be considered for a space on our conference agenda.

Presentation proposals must be received by **Friday, May 10**. Applicants will be notified of our decision by Wednesday, May 29.

**Please note:** *Agenda space is limited, so proposals must be submitted by the deadline to receive consideration. We encourage speakers to submit proposals early to receive priority consideration.*

**Discounted speaker registration:** Approved speakers may attend the full conference for a flat fee of \$150. This discounted registration fee includes access to any sessions you'd like to attend, as well as the networking reception, and all breakfasts, lunches, and snacks served during the conference.

*Speakers will receive reimbursement for approved travel expenses. No compensation will be provided.*

**Questions?** Contact [conference@kshousingcorp.org](mailto:conference@kshousingcorp.org).

[SUBMIT YOUR PRESENTATION](#)

**Benefits available to all KHA members** – Access to KHA member directory, Legislative Updates, KHA Newsletters, Access to KHA Training events, reduced online training classes, invite to Legislative Washington DC spring trip, (some with reduced fees for KHA members), Networking Opportunities, and More!

## Conference Sponsor/Exhibitor Registration Open!

Help us drive the conversation at the [2024 Kansas Housing Conference](#)! Join us as a sponsor or exhibitor, and get your name in front of the state and region's leading housing professionals.

The first five sponsors to [register](#) at the **Gold Level** or above can enjoy the added perk of having their logo featured on the large conference banner display! Register today--only three spots remain on the banner!

### [REGISTER NOW](#)

**Don't miss out!** The following [sponsorships and exhibitor booths](#) are available with specialty sponsorships again this year!

Learn more and register on our [sponsorship opportunities page](#). Please register for sponsorships by the **May 10 priority deadline**.

## KHRC Update

Twelve Kansas projects will receive a combined total of **\$3,955,215 in Moderate Income Housing (MIH) funds\*** and **\$6,069,000 in Kansas Housing Investor Tax Credits (KHITCs)** to develop affordable housing for moderate-income families in rural areas of the state. The awards, made possible through the state of [Kansas' Moderate Income Housing \(MIH\) and Kansas Housing Investor Tax Credit \(KHITC\) Programs](#), provide resources to develop housing in rural communities.

Combined with the amount leveraged by each community to support the proposed initiatives, the awards represent a **total investment of \$51,729,393 and a net gain of 215 affordable, quality housing units.9 million in MIH funds and \$6.1 million in KHITCs for rural housing development.**

[The MIH and KHITC Award List can also be found on [KHRC's MIH webpage](#) by scrolling down to the "[Documents | Forms | Resource](#)" section and selecting "2023 Round 3 Award List." Kansas Housing administers the state's housing development programs and oversees the competitive application process. [More details about the MIH program are available online.](#)]

### [2023 Round 3 MIH and KHITC Award List](#)

This round of awards will assist with development of 12 projects:

- 12 multi-family rentals in Natoma
- 9 single-family homes in Clay Center
- 5 single-family homes in Herington
- 6 single-family homes in Solomon
- 5 single-family homes in Effingham and 9 rental units in Atchison
- 3 single-family homes in Holton<sup>^</sup>
- 13 single-family homes for rent and sale and 2 duplex units for rent in Osage City
- 8 multi-family duplex units for rent in Garnett
- 40 multi-family rentals in Hutchinson
- 40 single-family homes in Dodge City
- 3 single-family homes in Fowler
- 60 multi-family rentals in Garden City<sup>^</sup>

*\*Remaining MIH-ARPA funds may be substituted for all or part of an awarded MIH project.*

*<sup>^</sup> Awarded to an existing MIH and/or KHITC grantee.*



## 2024 Legislature - Week 12

Week 12 of the 2024 legislative session consisted of full day action on floor in both chambers and a few conference committee meetings.

After completing their needed business, both the House and Senate went home for the Easter break on Wednesday in the early evening. It took them a little longer to complete their work after getting bogged down in debate earlier in the week.

Some of the issues debated related to:

- Convention of the States (which failed), solar power siting restrictions, 911 communications;
- Literacy programs, foster care, child-care and school health care;
- Child support at conception, abortion reporting and transgender care;
- Election official false representation, federal election money usage and civil asset forfeiture

Bills will now go to the opposite chamber, which can either concur with the amendments or send them to a conference committee for further consideration and amendment.

Both chambers will return on April 1 to allow conference committees to meet and finish up recently adopted and amended issues before the first adjournment deadline on April 5th.

*Among these other issues here are some topics and activities taken up this week.*

**Governor Laura Kelly and U.S. Senator Jerry Moran gave welcoming remarks** at the 2024 Ogallala Aquifer Summit held in Liberal, Kansas, March 18th - 19th. This annual event brought together 200 conservationists, academics, and farmers to learn from each other's work toward managing water and agriculture for communities, ecosystems, and enhancing economic vitality. Attendees were presented with a recent Kansas Geological Survey that revealed evidence indicating that to extend the life of the aquifer, the only option now is to embrace the Local Enhanced Management Area plans and reduce water pumping. One obstacle to fulfilling that plan was evident at the event in that scientists and university personnel outnumbered farmers in attendance almost 2-to-1, with most of those farmers already on board with the ideas presented. Actual effective change will only take place when a more compelling course of action is developed to change the minds of Kansans who, for whatever reasons, do not believe there is a problem, do not care that there is a problem, or are still unaware that there is a problem.

**Kansas Animal Health Commissioner Justin Smith has issued an advisory** after milk from Kansas dairy farms tested positive for the highly pathogenic avian influenza. This is the first incident of this disease being discovered in U.S. livestock. At this time, the strain has only shown up in milk cows, specifically older ones, causing them to become lethargic and produce less milk. The milk from infected cows is already being diverted and destroyed; however, the U.S. Department of Agriculture recommends that the public consume only pasteurized commercial milk. The priority for dairy farms right now is increasing biosecurity measures such as proper boot washing, regular veterinarian check-ups, limiting animal and human traffic, and dispersal of wild bird incursions.

**Kansas tax legislation known as House Substitute for SB 300 was unanimously approved on the House floor this week** and moved promptly to the Senate, where it was labeled materially altered. It was then sent back to the Senate Assessment and Taxation Committee. A conference committee will negotiate the tax policy



## 2024 Legislature continued

between the House and Senate, but a vote of 123-0 (2 legislators were absent) carries a pretty strong message. Two weeks ago, the Senate passed their tax bill 29-11. Some aspects of the bill are:

- State income tax standard deduction would be raised 3% and tied to the annual rate of inflation.
- Personal exemptions to state income tax would be elevated and linked to inflation.
- The state income tax on Social Security benefits would be eliminated starting in the 2024 tax year.
- The state's 2% food sales tax will terminate on July 1st, 2024, instead of January 1st, 2025.
- The state's property tax for K-12 public education would be lowered from 20 mills to 18 mills, and the residential exemption for that property would be raised from \$40,000 to \$100,000.
- Setting the state income tax to a two-rate system by removing the current first bracket.

**The Kansas House Concurrent Resolution 5026, to be known as the AM Radio for Every Vehicle Act**, passed by a vote of 109-14. State Representative and broadcaster Ken Rahjes proposed the resolution with support from the House Agriculture and Natural Resources Committee and the Kansas Association of Broadcasters. The nonbinding resolution calls on the state's congressional delegation and leaders in the U.S. House and Senate to intervene in support of federal bill HR 3413, which has the same title. While FM radio frequencies are clearer, their range is limited to line-of-sight miles. In contrast, AM radio frequencies travel hundreds of miles, making it a stronger media for getting information out to rural and remote areas across the country. There are currently more than 6,000 AM radio stations nationwide with over 80 million listeners.

**The Kansas Senate passed HB 2446 with a vote of 24-16** and the legislation will be sent to Governor Kelly, who is expected to consider vetoing it again. It is the fourth year in a row that lawmakers have tried to prohibit local municipalities from regulating single-use plastic containers - such as the ordinance the city of Lawrence has in place. One year ago, the House passed the measure by a vote of 72-51. Requiring 27 votes in the Senate and 84 in the House the prospect to override a potential veto for either chamber is a challenge.

**The Kansas Senate voted 25-15 this week to approve HB 2583, which House lawmakers passed 107-4** a month ago. The bill would make inflicting harm on law enforcement dogs or horses a felony punishable by a minimum of 90 days in jail, a minimum fine of \$10,000, and mandated restitution to the affected agency for the animal's medical treatment and/or funeral expenses, plus mandated restitution for replacing and training a new animal.

**The Kansas Supreme Court is accepting online public comments on The Kansas Child Support Guidelines** Advisory Committee's proposed updates. These are the rules judges and hearing officers follow to decide how much each parent is to pay toward raising their children. They are set in place to ensure the \$35 million parents pay in support each month receives equitable and appropriate distribution for the day-to-day essential needs of their children. To participate in the online survey, visit <https://www.surveymonkey.com/r/CSG2024> by 5 pm on Friday, April 26th.

**The National Center for Education Statistics released a new study this week** that reports Kansas ranks 2nd for the highest rate of teacher attrition nationwide. Retirement was the most frequent explanation teachers gave for leaving the job with low pay listed close behind. The average teacher salary in Kansas is \$64,000, placing the state in the bottom third in terms of teacher salaries across the country. Stress is also an acute problem in education, with 44% of K-12 staff in the U.S. reporting they "always" or "very often" feeling burned out due to work-related issues. This percentage tops all other industries.

## KHA 2023 Learning Session

KHA's annual Fall Learning Session was held October 23rd in Leawood at The Venue. We were very lucky to have such a knowledgeable panel of speakers. Drew Wallace from econsultants, LLC spoke regarding QAP requirements and many energy conservation and program updates. Various KHRC staff members were involved in a panel discussion regarding HOME, HTF and new Section 3 requirements and monthly reporting. In addition, another KHRC panel discussed general construction requirements.

After lunch attendees heard from Beth Easter, Intrust Bank and Brad Reiff, MHEG, regarding markets, rates/ pricing and the equity market.

Ryan Vincent, KHRC concluded the day by giving a KHRC update.

Thanks to everyone that attended! We are hoping for another successful event in 2024. If anyone has suggestions for topics, please contact Michele Carter - [michele.carter67@yahoo.com](mailto:michele.carter67@yahoo.com) Our committee will be meeting soon to start our planning of this exciting annual event!



**2024 KHA Committee Members**

**Education** – Co Chairs: Andrew Danner, Gabe Woodman  
Member: Austin Kack

**Membership** – Co-Chairs: Matt Fulson, Rebecca Arthur  
Members: Tim York, Mollea Wainscott

**Annual Events** – Co- Chairs: Kelsey Herr, James Oltman

**Governmental Affairs** – Chair: Josh Yurek  
Members: Doug Smith, Chris Hite

**Finance** – Chair: Beth Easter

**Nominations** – Co Chairs: Andrew Danner, Matt Gillam, Kelsey Herr

**Training Events** – Co-chairs: Andrew Danner, Randy Porter

**Special Projects**

**QAP** – Tony Krsnich, Trey George

**Real Estate Valuation** – Matt Gillam, Lee Harris, Matt Catanese, Bill Caton, Ray Browning, Daniel Sailler



### **2024 KHA Dues**

Thank you to all of our members for sending in dues for your 2024 KHA Membership! We appreciate your continued support!

We do still have approximately 10 unpaid memberships. If you are unsure if you've paid for your 2024 KHA membership or if you need an invoice, please contact [michele.carter67@yahoo.com](mailto:michele.carter67@yahoo.com). She will be happy to check for you!