To: Kansas Special Committee on Homelessness

From: Kansas Statewide Homeless Coalition, with support from United Community Services, Kansas Action for Children, NCircle, Cross-Lines Community Outreach, KS Balance of State CoC, Kim Wilson Housing, Inc., Wyandot Behavioral Health Network, Greater Kansas City Coalition to End Homelessness

Re: Best Practices and Effective Approaches for KS Public Policy to Address Housing Insecurity and End Homelessness

Date: 10/30/23

The Kansas Statewide Homeless Coalition, Inc. (KSHC) coordinates across the state, providing education, training, and support to end homelessness. KSHC works with all five of Kansas' Continuums of Care (CoC), which individually coordinate the work of private and public agencies in their respective regions to prevent homelessness and stabilize households experiencing homelessness. CoCs also coordinate application for and utilization of federal and state funding to support these vulnerable Kansans. KSHC urges Kansas to adopt the HUD-endorsed Housing First approach, which has been shown to reduce crime and reliance on social benefits, increase self-sufficiency through income and employment, and reduce the likelihood of returning to the homeless system.¹

Housing insecurity and homelessness have complex causes, so an effective response must be multi-layered. In Kansas, homelessness is exacerbated by a shortage of housing, about 50,000 units, as identified by the Kansas Housing Resource Corporation's (KHRC) 2021 Statewide Housing Needs Assessment. The need is particularly acute for townhome and multiplexes that fit the needs of Kansas seniors. There is also underinvestment in critical services that support Kansas households experiencing homelessness. Rising costs of inflation, approximately 25% since 2017, including on housing, food, and childcare, create additional pressures for seniors, those on fixed incomes, and working families – resulting in them being more likely to fall behind financially and lose housing. Kansas CoCs have seen an increase in households experiencing homelessness in Kansas. However, homelessness in Kansas is low compared to other states, representing only .41% of total homelessness in the U.S. based on 2022 counts, and can be solved².

KSHC, Kansas CoCs, and partner agencies are well-positioned to share evidence-based best practices and effective approaches that will support good public policy in Kansas and good stewardship of Kansans federal and state tax dollars. The approaches offered below are not exhaustive; rather, they highlight a few specific areas where state legislators are uniquely positioned to make good policy in 2024 to address Kansas' housing shortage and causes of homelessness.

- Use public-private partnerships to invest in, incentivize, and expedite building and rehabilitating housing across the state to address Kansas' housing shortage:
 - Provide state funding for the existing State Housing Trust Fund administered by KHRC which provides homelessness prevention, incentivizes building new houses, supports rehabilitation and energy efficiency of existing housing, and helps with down payments for qualified first-time homebuyers. For example, a tax on rental revenue that exceeds fair market value, as set by HUD annually, would generate funds to incentivize development of additional housing throughout the state.
 - o Provide a source of gap funding for developers to incentivize attainable workforce housing.
 - Fund cost-saving permanent supportive housing projects like <u>5 in 500</u> in Kansas City, Missouri, which provided new housing and intensive case management for homeless individuals with severe and persistent mental illness (SPMI). <u>UMKC analysis</u> 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.
 - Expand the use and availability of rural housing incentive districts, see <u>Senate Bill 34</u> from 2023.
 - Maintain the low-income housing tax credit (LIHTC) and expand usability of the new Affordable Housing Tax Credit Act (AHTCA).

¹ See Cohen, Elior, "<u>The Effect of Housing First programs on Future Homelessness and Socioeconomic Outcomes</u>", Fed. Reserve Bank of Kansas City (March 2022); National Alliance to End Homelessness, "<u>The Case for Housing First</u>" (Feb. 2023).

² Kansas CoCs counted 2,397 homeless individuals, compared to 582,462 nationwide, see https://www.kshomeless.com/pit.html.

- Support local control over new housing by repealing <u>KSA 12-16,120</u>. KSA 12-16,120 prohibits local governments from requiring affordable housing to be incorporated in new developments.
- Encourage local governments to expedite the development process; for example, incremental developments for in-filling and pre-approved patterned developments are being considered by the <u>City of Overland Park</u>.
- Increase state investment and be good stewards of current investment in effective programs that address underlying causes of homelessness and support Kansans to move into housing stability and self-sufficiency:
 - Be a good steward of state and federal investment in housing choice vouchers (HCV): Pass legislation that supports full utilization of HCVs by prohibiting discrimination on the basis of source of income. Existing HCVs cannot be fully utilized in many regions because landlords will not accept them.³
 - Address underlying contributors to homelessness by increasing investment in mental and behavioral health supports for Kansans, such as through crisis centers and Certified Community Behavioral Health Clinics (CCBHCs); provide support for housing development in coordination with CCBHCs to stabilize individuals receiving care, similar to the <u>5 in 500</u> program in Kansas City, Missouri.
 - Support housing stability and self-sufficiency through additional targeted investment in Supportive Housing Funds, Projects for Assistance in Transition of Homelessness (PATH), Options Housing, and SSI/SSDI Outreach, Access, and Recovery Services (SOAR).⁴
- Strengthen Kansas' safety net so that households that are cost-burdened (paying more than 30% of their income on housing), such as seniors and working families, can remain stably housed:
 - Reduce the property tax burden for seniors and disabled individuals. Rapidly increasing home values have created significant financial burdens: average home sales price in Johnson County increased <u>~50% between</u> <u>2017-2022</u> from \$323,058 to \$480,056.
 - Expand Homestead Act and/or SAFESR Kansas Property Tax Relief for Low Income Seniors.
 - Reinstate the Homestead property tax refund for renters.
 - Align Kansas with other states in reducing the state's administrative burden to administer food benefits and increase access to food benefits for qualifying families. A 2022 KU study found that even small increases in WIC and SNAP provide significant family stabilization, improved health, and reduced use of Kansas' costly foster care system and emergency departments.
 - Be a good steward of Kansas' unspent \$62M in Temporary Assistance for Needy Families (TANF) and utilize those dollars to provide basic assistance and childcare for low-income families.
 - Support full employment as a pathway out of housing vulnerability:
 - Increase funding for education focused on trending career fields in Kansas so Kansans can meet the
 needs of Kansas employers and to complement Kansas City region's (from 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.⁶
 - Expand Child Day Care Assistance Tax Credit so it can be used by working parents.
 - Proposed <u>Senate Bill 164</u> in 2023 provided a \$2,000 tax credit for qualified employees of licensed childcare centers.
 - Avoid displacement of more Kansans due to loss of critical healthcare facilities; Kansas has the highest percentage of rural hospitals at risk of closure in the nation - 58%. 86 of Kansas' 104 rural hospitals are running at a loss⁷.

³ See, e.g. VA CODE ANN. Sec. 36-96.1.B., https://lis.virginia.gov/cgi-bin/legp604.exe?201+ful+CHAP0477.

⁴ Detailed recommendations on pgs. 6-14, 2023 Annual Report of the Governor's Behavioral Health Services Planning Council Subcommittee on Housing and Homelessness (September 2023).

⁵ See <a href="https://www.kcur.org/news/2023-10-02/why-kansas-makes-it-harder-to-qualify-for-food-assistance-than-most-other-states?utm_source=newsletter&utm_medium=email&utm_content=Blaise%20Mesa%20reports&utm_campaign=Early%20Bird.

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⁶ See United WE, "Status of Women in Kansas" (Feb. 2022).

⁷ See Center for Healthcare Quality & Payment Reform, "Rural Hospitals at Risk of Closing" (Aug. 2023).