



## **TESTIMONY**

House Financial Institutions and Rural Development

**Christy Davis**

**February 14, 2022**

Chairman Kelly and committee members, I enthusiastically support House Bill 2569 because it will allow developers to address needs for housing and small businesses in small cities and rural communities. This bill is consistent with the recommendations I made in a presentation to your committee last legislative session; and I'm grateful to Representative Proctor and the other sponsors, including my Representative, Dave Baker, for introducing it.

Over the past twenty-five years, I have worked as a consultant, advocate, and developer on historic preservation projects in all 105 counties in Kansas. I'd like to focus my remarks on why this bill is so important for economic development in our state's rural communities and on projects that will address a significant housing shortage in many of our cities and towns.

In order to make these projects work, developers stack incentives, including the state and federal rehabilitation tax credit. Rural projects can take advantage of the state rehabilitation tax credit - but many are excluded from the federal program because federal credits are allocated based on ownership percentage. With larger projects, developers can find investors to "buy in" and get federal credits. But investors won't look at smaller projects, which most define as under \$10 million. Even if federal tax credit investors would partner on smaller projects, they won't take chances on rural projects because the margins are slim on deteriorated buildings with low appraised values.

Rural Kansas communities like mine are ripe for redevelopment. I urge your support for House Bill 2569 because I believe in the future of rural Kansas and the bill will help bridge a gap on small projects that will revitalize these communities.