



HOMESTEAD AFFORDABLE HOUSING, INC

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To: Honorable Rep. Lance Kinzer, Chair, and Members of the House Committee on Judiciary
From: Thomas A. (Tom) Bishop, Pres./CEO
RE: Opposition to HB 2188
Date: February 11, 2013

Rep. Kinzer, members of the Committee, I am opposed to HB 2188 as we have annual fiscal and program audits conducted by and reviewed by multiple federal agencies and Kansas Housing Resources Corporation. In many cases HB 2188 would require disclosure of senior tenants or families receiving assistance that we are restricted from publically disclosing by state and federal law and regulations. We understand HB 2188 would require the posting of all expenditures with the detail of check numbers, vendors or households assisted and a detailed explanation of the expenditure for any of our activities in housing, community development or economic development.

As a community housing development organization (CHDO) Homestead Affordable Housing, Inc. (HAH) has been working on these housing and community development issues in rural communities across Kansas since 1998. We've now assisted 992 first time home buyers in 194 Kansas towns, 78 counties, with \$4,000 in down payment and closing cost grants. These workforce homes have had an average cost of \$71,486 with the average buyer's household income of \$25,524. \$3,968,000 in FHLBank AHP grants that HAH has received and provided these buyers have resulted in total sales amount at closing of \$64,766,686, leveraging \$16.32 of loans for each grant dollar. Our web site is at www.homesteadks.org

- HB 2188 requires detail of these households transactions which current financial services laws and regulations prohibit us from disclosing; i.e., an HAH check for \$4,000 was issued for a real estate closing; *John Smith, purchased 100 North Main, Anywhere, Kansas* is information we cannot provide

Our developments of multi-family residential and commercial properties are large complex transactions involving many sources of funds and transactions. The Bartell Hotel rehabilitation totaled over \$6 million from six sources and created 32 new senior apartments with 9,000 square feet of commercial lease space; KITES restaurant with 60 new jobs.

- USDA Rural Development, US Dept. of Housing and Urban Development, City of Junction City, State of Kansas Department of Revenue (historic credits) and Geary County are the public sources of funding that would also need to post publically and have searchable accounts. I believe this is going to be most difficult to enforce with all these public sources and large number of transactions.
- Senior tenants receive benefit through USDA RD that we would be required to be posted by HB 2188 but we would be unable under state and federal law and regulation to do so. Each of our senior apartment communities, over 300 units in eight Kansas communities would have these issues.

Homestead Affordable Housing, Inc., and all related properties are audited annually under OMB A110 auditing standards and these audits are required and reviewed by the agencies providing funding for our developments and programs; USDA Rural Development, HUD, KHRC and local cities and counties. Annual financial audits, program compliance audits and inspections, cost certification audits for any developments are required.

I do respect your desire for open records to exist providing information to ensure that benefit of public and private sources of funding reach the intended populations. For those of us as Community Housing Development Organizations and Community Development Corporations the funding sources regulations and audit requirements are onerous and adequate. If such legislation advances, please exclude the CHDOs, CDCs and housing authorities.

Thanks for allowing us to share our perspective.

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