

February 7, 2022

SB 375

Proponent

ORAL in-person Testimony

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Investor/Developer, Building Kansas LLC

Dear Senate Fed & State Committee

Please accept the following testimony on behalf of Senate Bill 375. Building Kansas LLC has been working for several years toward a solution for affordable housing in Salina, Kansas. Though Salina, with the help of the State of Kansas, has done an extraordinary job of attracting new employment opportunities through currently expanding operations at companies like Tony's Pizza and Great Plains Manufacturing/Kubota, the fact remains that housing is already estimated to be 1,300+ units short and going to become even more severe.

For the construction of residential housing that will complement the economic development to occur, investor tax credits are required. Specifically, our primary housing units are a duplex style high quality townhome with 3 bedrooms, 3 full bathrooms, a 2-car garage, and over 1,500 square feet of space. Without a tax credit, each home requires \$250k to construct/sell, pushing them out of the reach of the new families that will be employed in the current and expanding positions. With a \$30k tax credit per unit, the price of each home drops to a price not to exceed \$220k per home. This is a price point that is currently unavailable to the Salina housing market in a new or existing home that can accommodate a family. We can build 40 new homes per year for the next 8 years. It should be noted that these new homes will be located nearby to the previously mentioned businesses that are expanding.

If Senate Bill 375 passes and is available to the new Aero Plains Development in Salina, Kansas, we can add 320 affordable new high-quality homes to a community that desperately needs them. We will also replicate the process across other communities in Kansas that have the same housing needs.

Respectfully,



Derek E. Lee
Investor/Developer
Building Kansas LLC
Salina, Ks