

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on March 6, 2003 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research  
Mitch Rice, Revisor of Statutes  
Jodie Anspaugh, Secretary

Conferees appearing before the committee: Steve Weatherford, Kansas Development Finance Authority  
Randall Hrabe, Northwest Kansas Housing, Inc.  
Dick Wertzberger, First Bank of Manhattan, KS  
Tom Bishop, Homestead Affordable Housing, Inc.  
Sandy Goodwin, Fannie Mae  
Melissa Walker, AmeriFirst Mortgage  
Donald Witzke, Coldwell Banker  
Andrew Bias, Mennonite Housing  
Brad Snapp, Sedgwick County Housing Director

Others attending: See attached list.

Chairperson Brownlee opened the hearing on SB 222 and announced that the committee will hear from the proponents today. April Holman from Legislative Research briefed the committee on SB 222. This bill would expand the authority of the Kansas Development Finance Authority to issue mortgage revenue bonds. This would include moderate as well as low income families and also supplies a new definition of a home that includes condominiums. Ms. Holman also read parts of the fiscal note for this bill. (Attachment 1)

Steve Weatherford, President of the Kansas Development Finance Authority, testified in support of SB 222. (Attachment 2) This bill will assist low and moderate income first time home buyers in the dream of owning a home. Mr. Weatherford is offering an amendment that will restrict the ability of KDFA to be in the direct lending business. KDFA does not wish to compete with private lenders through the direct origination of first lien single-family mortgage loans.

Randall Hrabe of Northwest Kansas Housing, Inc. testified in support of SB 222. (Attachment 3) This bill would greatly enhance home ownership options and help leverage other funding resources.

Dick Wertzberger, Senior Vice President of First Bank, testified in support of SB 222. (Attachment 4) This legislation addresses the housing affordability in both urban and rural communities across the state of

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on March 6, 2003 in Room 123-S of the Capitol.

Kansas. He observed that the present KDFA board does not have a mortgage banker or someone with experience working with low to moderate income households. He encourages the addition of those members.

Tom Bishop with Homestead Affordable Housing, Inc. testified in support of SB 222. (Attachment 5) He supports this bill because it will allow all Kansans access to mortgage resources. The coordination of federal housing funding and housing finance activity will leverage additional resources and produce more housing, and the housing finance agency will provide finance options to community lenders to compete with large national lenders.

Sandy Goodwin, Fannie Mae, testified in support of SB 222. (Attachment 6) She believes that SB 222 encourages the expansion of homeownership throughout the state of Kansas by allowing the KDFA to raise mortgage funds for low and moderate income first time home buyers. The federally subsidized interest rate and down payment assistance will be passed on to these home buyers through participating community-based lenders.

Melissa Walker, President of AmeriFirst Mortgage, Inc., testified in support of SB 222. (Attachments 7 and 8) This bill will allow Kansas to be a frontrunner in increasing the number of homeowners.

Donald Witzke from Coldwell Banker in Liberal, KS testified in support of SB 222. (Attachment 9) This bill provides needed assistance to people in rural areas with little or no available resources for down payment or closing costs or low interest financing.

Andrew Bias, President/CEO of Mennonite Housing in Wichita, testified in support of SB 222. (Attachment 10) It would increase the affordable housing opportunities in Kansas. He suggested an amendment that would allow Sedgwick County to continue to issue mortgage revenue bonds.

Brad Snapp from Sedgwick County testified as neutral on SB 222. (Attachment 11) This bill would effectively end the Kansas Local Government Statewide Homeownership Program by stripping Kansas cities and counties of the power to issue revenue bonds to finance homeownership in Kansas and transferring all authority to issue such bonds to one centralized issuer at the state level. Sedgwick County does not oppose KDFA receiving authority to issue single family mortgage revenue bonds (SFRMBs), but does not want to lose its statutory authority to continue to issue SFMRBs for first time homebuyers. Considering that the average loan amount to first time homebuyers assisted by the Kansas Local Government Statewide Homeownership Program is \$64,000, if the authority to use the combined allocations of \$160,000,000 already granted to Sedgwick and Shawnee Counties is terminated, approximately 2,300 Kansans would not receive the assistance in buying their first home.

Senator Brownlee announced that the Commerce Committee will meet at 8:00 a.m. tomorrow.

Written testimony was provided by the following proponents of SB 222:

Karen Wulfkuhle, United Community Services of Johnson County (Attachment 12)

John Krueger, City of Leavenworth (Attachment 13)

Michael Nedrow, Mortgage Bankers Association of Greater Kansas City (Attachment 14)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on March 6, 2003 in Room 123-S of the Capitol.

Paul Robben, Robben Development Services (Attachment 15)

Kelly Willoughby, Kaw Valley Habitat for Humanity (Attachment 16)

Kirk McClure, Associate Professor, University of Kansas (Attachment 17)

Rosalyn Brown, Unified Government of Wyandotte County/Kansas City, Kansas (Attachment 18)

The meeting was adjourned at 9:30 a.m.

The next meeting will be on March 7, 2003 at 8:00 a.m.