



To: Governor Laura Kelly
Senate Commerce Committee
House Committee on Commerce, Labor and Economic Development
From: Rebecca Floyd, Director of Housing, Kansas Development Finance Authority
Ryan Vincent, Executive Director, [Kansas Housing Resources Corporation](#)
Date: January 31, 2026
Subject: KHRC Annual Reporting Requirements: Kansas Housing Investor Tax Credit Program (KHITC)

[Kansas Housing Resources Corporation \(KHRC\)](#) is a self-supporting, nonprofit, public corporation committed to helping Kansans access the safe, affordable housing they need and the dignity they deserve. KHRC serves as the state's housing finance agency, administering housing and community programs for Kansans. A subsidiary corporation of the Kansas Development Finance Authority (KDFA), KHRC is governed by a volunteer Board of Directors appointed by the Governor and confirmed by the Senate. KHRC does not receive operational revenue from the state, sustaining itself through fees for services and grant administration cost reimbursement.

Reporting Requirements. In accordance with statutory requirements, KHRC submits an [annual report](#) detailing program activities and awards, along with reports on the activities of state-funded housing programs. Kansas Affordable Housing Tax Credit (KAHTC) activity for 2025 was summarized in a [report submitted to the Legislature](#) on December 31, 2025. KHRC's 2025 State Housing Trust Fund report recapping activities of the Moderate Income Housing (MIH), Home Loan Guarantee for Rural Kansas (HLG), and Revolving Loan Fund (RLF) programs was submitted to the House of Representatives Committee on Appropriations and the Senate Committee on Ways and Means on January 12, 2026—the opening day of the 2026 Legislative session. This memorandum, due January 31 of each year, summarizes 2025 Kansas Housing Investor Tax Credit (KHITC) activity. Complete award details are available on the [KHRC website](#). These reports shall satisfy KHRC's annual reporting requirements.

Background. In December 2021, KHRC partnered with the Office of Rural Prosperity to deliver a statewide [Housing Needs Assessment](#), which included a survey of the housing and housing-related needs of Kansas households. This study, the state's first in nearly 30 years, revealed an acute shortage of quality, affordable housing, estimating an annual need of 3,800-4,800 homes in rural areas alone. In 2022 the Kansas Legislature responded to statewide housing needs with passage of the [Kansas Housing Investor Tax Credit \(KHITC\)](#). In accordance with K.S.A. 79-32,315, this report details 2025 activities of the KHITC program.

Program Summary. The purpose of the KHITC program is to bring housing investment dollars to communities that lack adequate housing. Housing development complements economic development, enabling communities to attract businesses, employees, and new residents. The KHITC program was established under K.S.A. 79-32,310, *et seq.*, becoming effective July 1, 2022, and revised in 2023 and 2025.

Program Implementation. KHITC awards were made in the first quarter of 2025 following a competitive MIH+KHITC application round in 2024. Additionally, KHRC published a KHITC Notice of Resource Availability in August 2025 as the guiding document for a competitive MIH+KHITC round and anticipates announcing additional MIH+KHITC awards in the first quarter of 2026. The following table reflects the dates the Notices were published, the due date for the corresponding applications, and the award approval dates. Notices for the most recent prior award round are archived on the KHRC website, with materials from earlier rounds deleted to prevent confusion.

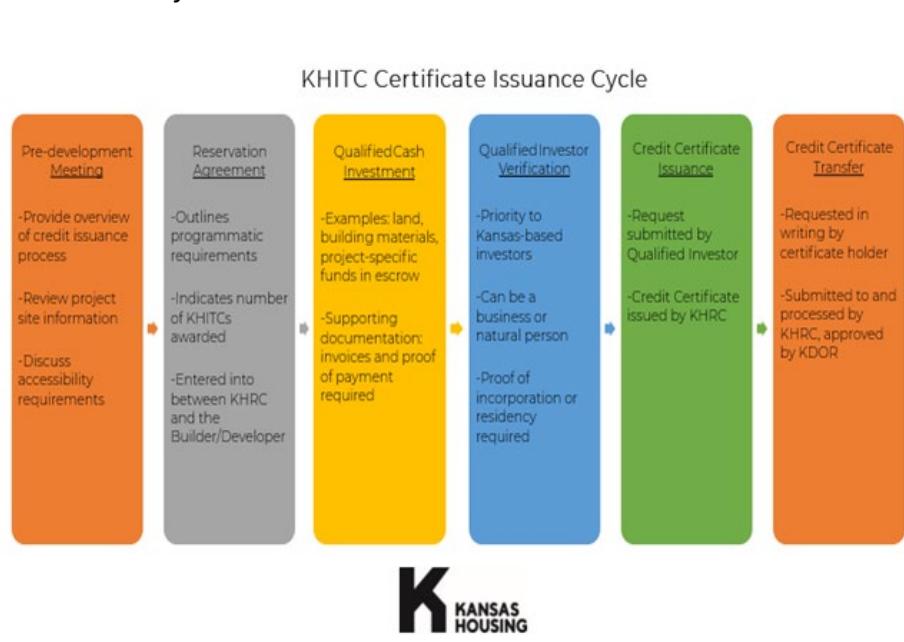
Notice Publication Dates	Application Due Dates	Award Approval Dates
October 1, 2024	November 22, 2024	February 26, 2025
August 1, 2025	October 3, 2025	1 st Quarter 2026

KHITC staff conducted virtual office hours, which provided an opportunity for applicants to ask questions related to the KHITC program and application process, as well as offered technical assistance to any applicant that did not receive a KHITC award. Additionally, in an effort to increase the number of competitive applications submitted, MIH and KHITC staff conducted a regional informational tour in spring 2025, visiting all six regions of the state to provide information about various KHRC programs--including MIH grants, KHITCs, and the Revolving Loan Fund--and broaden the base of programmatic stakeholders. Attendees included builders/developers, bankers, and grassroots community groups.

KHITC applications received by KHRC were reviewed by Housing Development staff. An evaluation matrix, inclusive of all required components outlined in the KHITC statute and Notices, was utilized to determine the thoroughness of each application. Recommendations for KHITC awards were determined by the outcome of the review process as well as the statutory requirement establishing KHITC allocation thresholds for small, medium, and large counties. KHITC awards were recommended to the Executive Director of the Kansas Development Finance Authority as well as KHRC's Loans and Grants Committee for approval. As a result, 5,730,000 KHITCs were awarded in 2024 Round 4. These awards will support the development of 169 housing units in 10 different counties. Due to the fact that 100% of approved qualified housing projects under the KHITC program in 2024 Round 4 are part of larger projects that also received an MIH grant, the overall number of units developed under KHRCs MIH Program is larger than reflected in the KHITC-only statistics.

At the time of this report, applications received during 2025 are under review. In the final application round of 2025 KHRC received 43 KHITC applications, totaling \$16,695,000 in requests for the development of 525 units. View the complete 2024 Round 4 award list, as well as the full 2025 applicant list, [online](#).

After KHITC awards are announced, the process of issuing KHITC Program Certificates begins. The KHITC Certificate issuance cycle is as follows:



Cash Investments for Qualified Securities. The following table reflects the total cash investments made for qualified securities in housing projects. These figures represent confirmed cash investments made as of December 31, 2025. Due to the timing of qualified cash investment dates, submission of KHITC requests, and 2025 award announcements, the actual total of 2025 cash investments may realize an increase.

As required by statute, the table below includes cash investments made in the preceding year as well as cumulative cash investments since the enactment of the KHITC Act.

	2025 Cash Investments	Cumulative Cash Investments
Small Counties	\$3,391,535	\$8,769,174
Medium Counties	\$3,090,864	\$9,599,101
Large Counties	\$6,972,971	\$25,168,960
Totals	\$13,455,370	\$43,537,235

In addition to the cash investments made into qualified housing projects in 2025, 37% of the KHITC Certificates issued in 2025 were transferred to one or more other investors who will utilize the KHITCs to offset their state tax liability. The price per credit of these transfers ranged from \$0.85 - \$0.96, realizing an increase in the average price per credit from \$0.88 in 2023 when the first KHITC Certificates were transferred, to \$0.93 in 2025.

Jobs Estimate. KHITC allocations made in 2025 were awarded to 10 projects located in counties from every region across the state. Regardless of location, the following common themes were reflected in applications received:

- Lack of moderate-income housing stock,
- Major employers with job vacancies, and
- Average unemployment rate of 3.05 percent.

Applicants reported job vacancies across many different employment sectors, from Retail to Corrections and Construction to Pharmaceuticals. The top four employment sectors with the highest number of job vacancies consistent across communities that received KHITC awards in 2025 were:

- Manufacturing
- Education
- Healthcare
- Local Government

KHRC relies on data provided by applicants to estimate the number of jobs facilitated by housing developed through KHITC investments. Based on the information provided by awardees of KHITCs in 2025, more than 3,200 positions are either currently vacant or will be coming online within the next one to two years in awarded communities. As reflected in the local needs assessment provided with each program application, the shortage of moderate-income housing stock across the state is directly related to the difficulty employers face in filling vacant positions. Developing 169 units of housing will help address this issue. It is anticipated that this new housing will provide at least a 5% increase in the number of jobs filled statewide.

Jobs estimate information above is derived from details provided by KHITC applicants. The reliability and validity of the information provided relies on the due diligence conducted by the applicant.

Effect on Kansas Economy. In 2020, the National Association of Home Builders published an article on the impact of home building and remodeling,¹ which provides data on the direct and indirect impacts of residential construction on the economy at a national level. Specifically, the study reports on the creation of jobs, impact on wages and salaries, as well as profits generated due to residential construction. In addition to reflecting a positive impact on jobs within the construction industry, the article outlines several other industries that realize a positive impact due to residential construction, including but not limited to Manufacturing; Real Estate, Rental, and Leasing; and Finance and Insurance.

Along with our partners, KHRC is actively working on collecting data to reliably report on the multiplier effect of the housing investments made through the KHITC program. KHRC anticipates being able to report the positive impacts KHITC has had on the Kansas economy in the future.

In 2025, KHRC issued KHITC Certificates to 30 original qualified investors who made eligible cash investments into qualified housing projects. Of the 30 investors, 83% were the builder

and/or developer awarded KHITCs for the development of a qualified housing project, 0% were natural persons, and 17% were businesses associated with the qualified housing project. Additionally, 29 investors transferred or sold KHITCs to 17 unique persons/entities. The largest number of transferees were businesses (59%), followed by financial institutions (35%), and natural persons (6%). According to information provided by the Kansas Department of Revenue, \$1,371,615 KHITCs were claimed in Fiscal Year 2024 by 28 total filers.

Due to the fact that 2025 was the third year the KHITC program completed a full cycle from application to credit issuance, aggregate job creation and capital investment that resulted from the tax credits for a period of five years is not available. KHRC looks forward to being able to report in the future about the positive impact of the KHITC program on aggregate job creation and capital investments statewide.

Home has never been more important for Kansans. KHRC and our partners are pleased to administer the state's investment in housing resources, *Unlocking Home* for those we serve.

¹Emrath, P. (2020). *National Impact of Home Building and Remodeling: Updated Estimates*. National Association of Home Builders.

<https://www.nahb.org/~/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2020/special-study-national-impact-of-homebuilding-and-remodeling-april-2020>