198A.700 Definitions for KRS 198A.700 to 198A.730.

As used in KRS 198A.700 to 198A.730, unless the context otherwise requires:

(1) "Homeless individual" means a person who:

(a) Lacks a fixed, regular, or adequate nighttime residence;

(b) Is at risk of becoming homeless in a rural or urban area because the residence is not safe, decent, sanitary, or secure;

(c) Has as a primary nighttime residence a publicly- or privately-operated shelter designed to provide temporary living accommodations;

(d) Has as a primary nighttime residence a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; or

(e) Is a family or a person who does not have access to normal accommodations due to violence or the threat of violence from a cohabitant.

(2) "Nonprofit organization" means an organization duly organized and validly existing as a not-for-profit organization under the laws of the Commonwealth, any other state, or the United States and whose purpose includes the development, construction, rehabilitation, or acquisition of housing.

(3) "Technical assistance" means activities that are directly related to a nonprofit organization's ability to provide housing for very low-income persons in assisted projects under KRS 198A.700 to 198A.730, and includes land use and planning costs, design and engineering services, finance services, loan packaging assistance, program development assistance, construction consultation, and marketing assistance for developers, and budgeting assistance, independent living skill development, homeownership, tenant education, and self-sufficiency development for renters and homeowners.

(4) "Trust fund" means the affordable housing trust fund.

(5) "Very low-income" means the income of individuals or families that is below sixty percent (60%) of the area median income for the Commonwealth as determined by the United States Department of Housing and Urban Development.

Effective: July 15, 1994

History: Amended 1994 Ky. Acts ch. 206, sec. 1, effective July 15, 1994. â€“ Created 1992 Ky. Acts ch. 458, sec. 1, effective July 14, 1992.

198A.705 Legislative findings.

The General Assembly hereby finds and declares that current economic conditions, federal housing policies, and declining resources at the federal, state, and local levels adversely affect the ability of very low-income persons to obtain safe, decent, and affordable housing; that an increasing number of individuals are homeless, are at risk of becoming homeless, or live in overcrowded, inadequate, and unsafe housing units; and it is in the public interest to establish a continuously renewable resource known as an affordable housing trust fund to assist very low-income persons in meeting their basic housing needs.

Effective: July 14, 1992

History: Created 1992 Ky. Acts ch. 458, sec. 2, effective July 14, 1992.

198A.710 Affordable housing trust fund.

There is hereby established in the State Treasury a separate, revolving, nonlapsing fund known as the affordable housing trust fund.

Effective: July 14, 1992

History: Created 1992 Ky. Acts ch. 458, sec. 3, effective July 14, 1992.

198A.715 Kentucky Housing Corporation to administer trust fund -- Uses of fund -- Organizations eligible for funding -- Annual report.

(1) The administering agency for the trust fund shall be the Kentucky Housing Corporation, which shall use moneys from the trust fund to make, or participate in the making, of loans or grants for the eligible activities described in this section. Loans or grants shall be made upon the determination by the corporation that the loan or grant shall be used to create new sources of funding, or to supplement existing sources of funding for eligible activities, and shall not be used to replace existing or available funds.

(2) Activities eligible for funding shall include:

(a) Provision of matching funds for federal housing dollars requiring a local or state match including, but not limited to, the National Affordable Housing Act of 1990;

(b) Acquisition of housing units for the purpose of preservation or conversion as very low-income housing;

(c) New construction or rehabilitation of very low income housing units;

(d) Matching funds for technical assistance directly related to providing housing for persons pursuant to KRS 198A.700 to 198A.730; and

(e) Administrative costs for housing assistance programs or organizations eligible for funding pursuant to subsection (3) of this section, if the grants or loans will substantially increase the recipient's access to housing funds other than those available under KRS 198A.700 to 198A.730.

(3) Organizations eligible for funding from the trust fund include:

(a) Local governments;

(b) Local government housing authorities;

(c) Nonprofit organizations;

(d) Regional or statewide housing assistance organizations; and

(e) Sponsors who work in connection with rental housing developments that receive low-income tax credits under Section 42 of the Internal Revenue Code of 1986, as amended. Sponsors, as set out in this paragraph, shall only be eligible if the corporation determines a nonprofit organization owns at least a fifty-one percent (51%) interest in the sponsor and materially participates in the development and operation of the rental housing.

(4) Housing units provided to very low-income persons or families pursuant to KRS 198A.700 to 198A.730, shall be deed-restricted under the following conditions:

(a) Rental housing shall be deed-restricted for a minimum of thirty (30) years. Amendments may be granted by the corporation on a case-by-case basis. Investment from the trust fund into a specific housing type shall revert to like housing for very low-income persons.

(b) Single-family units or units for sale shall be deed restricted for a minimum of five (5) years. Amendments may be granted by the corporation on a case-by-case basis.

(5) In the development of housing pursuant to KRS 198A.700 to 198A.730, displacement of very low-income persons shall not be permitted unless the project shall pay all reasonable relocation costs as defined by the corporation.

(6) There shall not be discrimination in the sale or rental, or otherwise making available or denying, a dwelling funded under KRS 198A.700 to 198A.730 to any buyer or renter because of race, religion, sex, familial status, disability, or national origin.

(7) In the event that the corporation chooses to use trust fund dollars with or as a match to the Federal Home Investment Partnership Program or other federal programs, the strictest affordability requirements shall apply.

(8) Trust fund dollars shall be contributed permanently to a project, except when serving as a match for federal housing programs that require all funds to be contributed permanently to the federal program. All repayment, interest, or other return on the investment of trust fund dollars are required to be returned to the trust fund and used for eligible trust fund activities in accordance with the requirements of KRS 198A.700 to 198A.730. Trust fund dollars invested in a project with federal dollars requiring a permanent contribution shall be recaptured to the federal program account.

(9) On or before October 1 of each fiscal year, the Kentucky Housing Corporation shall submit a report to the Legislative Research Commission on the disposition of the affordable housing trust fund moneys for the previous fiscal year.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 12, sec. 1, effective June 25, 2013. -- Amended 2000 Ky. Acts ch. 469, sec. 2, effective July 14, 2000. -- Amended 1994 Ky. Acts ch. 206, sec. 2, effective July 15, 1994; and ch. 405, sec. 48, effective July 15, 1994. â€“ Created 1992 Ky. Acts ch. 458, sec. 4, effective July 14, 1992.

198A.720 Application procedures -- Granting of funds -- Priorities in funding -- Targeting of funds -- Services to be provided.

(1) The corporation shall issue a public notice to eligible recipients of the availability of trust funds at least twice each calendar year and provide for reasonable opportunity for the filing of applications.

(2) The corporation shall approve or deny properly submitted and completed applications within ninety (90) days of their receipt.

(3) The corporation shall grant as many applications as will effectively use available funds.

(4) The corporation shall grant or deny applications by ranking the applications competitively using criteria established by the corporation in consultation with the advisory committee for the trust fund created under KRS 198A.725. The corporation shall give priority to:

(a) Applications for projects submitted by nonprofit organizations or local governments for new construction for families;

(b) Applications for projects using existing privately owned housing stock, including stock purchased by nonprofit public development authorities;

(c) Applications for projects using existing publicly owned housing stock; and

(d) Applications from local governments for projects that demonstrate effective zoning, conversion, or demolition controls for single room occupancy units.

(5) The corporation shall limit funds to be used for administrative costs to no more than seven and one-half percent (7.5%) of available funds, and shall disapprove any project in which more than seven and one-half percent (7.5%) of available funds shall be used for administrative costs.

(6) The corporation shall require at least forty percent (40%) of all funds received to be used for rural areas of the Commonwealth, which shall periodically be defined by the board of directors of the corporation.

(7) Funds targeted under this section that are not expended or set-aside within twenty-four (24) months from allocation may be reallocated in nontargeted communities for very low-income persons. The corporation may extend the twenty-four (24) month period for good cause; however, an extension shall not exceed an additional twelve (12) month period.

(8) The corporation shall provide technical assistance to eligible recipients seeking to construct, rehabilitate, or finance housing-related services for very low-income persons. The corporation may contract with nonprofit organizations to provide the technical assistance required by this subsection.

(9) The corporation shall provide or contract for the following services:

(a) Financial planning and packaging for housing projects including alternative ownership programs and bridge financing;

(b) Project design, architectural planning, siting, and compliance with planning requirements;

(c) Securing matching resources for project development;

(d) Maximizing local government contributions to project development in the form of land donations, infrastructure improvements, waivers of development fees, local and state managed funds, zoning variances, density bonuses for low rise-multifamily projects, or creative local planning;

(e) Coordination with local planning, economic development, environmental, technical assistance, and recreational activities;

(f) Construction and material management; and

(g) Project maintenance and management.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 12, sec. 2, effective June 25, 2013. -- Amended 1994 Ky. Acts ch. 206, sec. 3, effective July 15, 1994. â€“ Created 1992 Ky. Acts ch. 458, sec. 5, effective July 14, 1992.

198A.725 Advisory committee for trust fund.

(1) The corporation shall create an advisory committee for the trust fund consisting of eleven (11) members appointed by the chairman of the board of directors of the corporation.

(a) Three (3) members shall be appointed from representatives of each of the following categories of organizations:

1. The Home Builders Association of Kentucky, the Kentucky Manufactured Housing Institute, the Apartment Association, the Kentucky Association of Realtors, the Kentucky State Building Trades Council, the Mortgage Bankers Association of Kentucky, and the Kentucky Bankers Association;

2. The Homeless and Housing Coalition of Kentucky, builders or nonprofit housing organizations, support service providers, homeless persons, and very low-income tenants; and

3. The Kentucky Association of Counties, the Kentucky League of Cities, and agencies of state government.

(b) The remaining two (2) members appointed shall include one (1) member of the Kentucky Senate and one (1) member of the Kentucky House of Representatives.

(2) Upon organization of the advisory committee three (3) members shall continue in office for three (3) years, three (3) members shall have two (2) year terms, and three (3) members shall have a one (1) year term, as designated by the chairman of the board of directors. Thereafter, all members appointed shall serve a three (3) year term or until their successors are appointed and duly qualified. A vacancy on the advisory committee shall be filled pursuant to the requirements and procedures for original appointments. Members of the advisory committee may be reappointed one (1) time.

(3) The advisory committee shall consult with and advise the officers and directors of the corporation concerning matters relating to the trust fund.

(4) The advisory committee shall elect a presiding officer from its members and may establish its own rules of procedure which shall not be inconsistent with the provisions of this chapter.

(5) Members of the advisory committee shall serve without compensation. Members who are not employees of the Commonwealth shall be entitled to reimbursement for actual expenses incurred in carrying out their duties on the committee.

Effective: July 14, 1992

History: Created 1992 Ky. Acts ch. 458, sec. 6, effective July 14, 1992.

Legislative Research Commission Note (7/14/92). In codifying the text of this section, the words "and three (3) members shall have two (2) year terms," have been omitted from subsection (2) because this text is repetitive and appears to be a manifest clerical or typographical error under KRS 7.136(1).

198A.730 Short title for KRS 198A.700 to 198A.730.

KRS 198A.700 to 198A.730 may be cited as the "Kentucky Affordable Housing Act."

Effective: July 14, 1992

History: Created 1992 Ky. Acts ch. 458, sec. 7, effective July 14, 1992.