

Addressing Kentucky's Housing Supply Gap

www.kyhousing.org

No state funds were used to produce this document.



About KHC

Created by the 1972 General Assembly, KHC is a self-supporting, quasi-governmental public corporation governed by a 15-member Board of Directors.

As Kentucky's only housing finance authority, KHC administers a wide range of housing programs to finance and fund homeownership, rental housing, and homelessness solutions across the Commonwealth.

Mission

KHC invests in quality affordable housing solutions for families and communities across Kentucky.



Homebuyers and Homeowners

Mortgages, down payment assistance, foreclosure prevention, homebuilding, home repair, and weatherization.



Rental Housing

Multifamily development and preservation, rental assistance.



Homeless Programs

Shelters, rapid re-housing, street outreach, eviction prevention.

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Kentucky's Housing Supply Gap Analysis



Federal Programs Supporting Kentucky's Housing Market



Homeless	Supportive Housing	Affordable Rental Housing	Affordable Homeownership	Market-Rate Rental and Homeownership
<i>≤ 30% AMI</i>		<i>30-80% AMI</i>	<i>81-120% AMI</i>	<i>≥120% AMI</i>
<ul style="list-style-type: none"> • HUD Continuum of Care • HUD Emergency Solutions Grant • HUD HOME Investment Partnership • HUD Housing for People with AIDS • Public Housing Authority Capital and Operating Fund 		<ul style="list-style-type: none"> • Treasury Private Activity Bonds: Tax Exempt Bond Financing & 4% Low-Income Housing Tax Credits • Treasury 9% Low Income Housing Tax Credits • Section 8 Housing Choice Vouchers • Section 8 Project-Based Contracts • HUD HOME Investment Partnership • HUD Housing Trust Fund 	<ul style="list-style-type: none"> • Treasury Private Activity Bonds: Mortgage Revenue Bonds • HUD Federal Housing Administration • HUD HOME Investment Partnership • DOE Weatherization Assistance Program 	<ul style="list-style-type: none"> • HUD Federal Housing Administration • Treasury Mortgage Interest Deduction

AMI = Area Median Income

Kentucky's Housing Supply Gap

206,207
New Homes

101,569

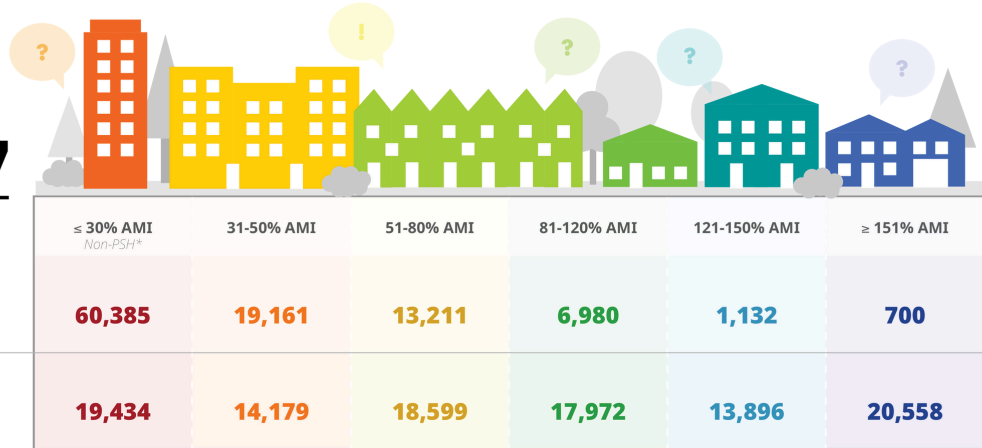


Rental

104,638



For-Sale



Current Housing Needs Broken Down By Area Median Income (AMI) Groups

* Permanent Supportive Housing (PSH) - Housing that offers supportive services and typically includes project-based rental subsidies.

287,120
New Homes

139,162



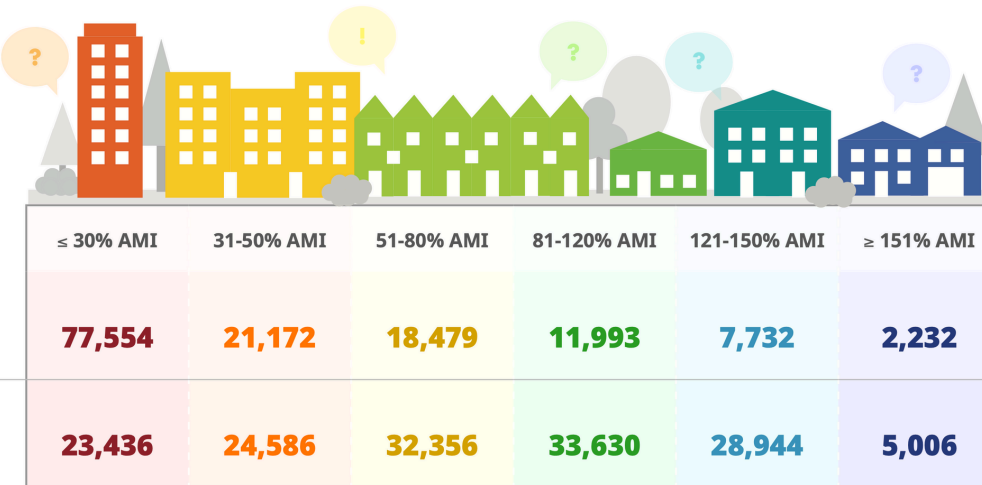
Rental

147,958



For-Sale

80,913 (39%)
increase over current
housing gap.



Future Housing Needs (2029) Broken Down By Area Median Income (AMI) Groups

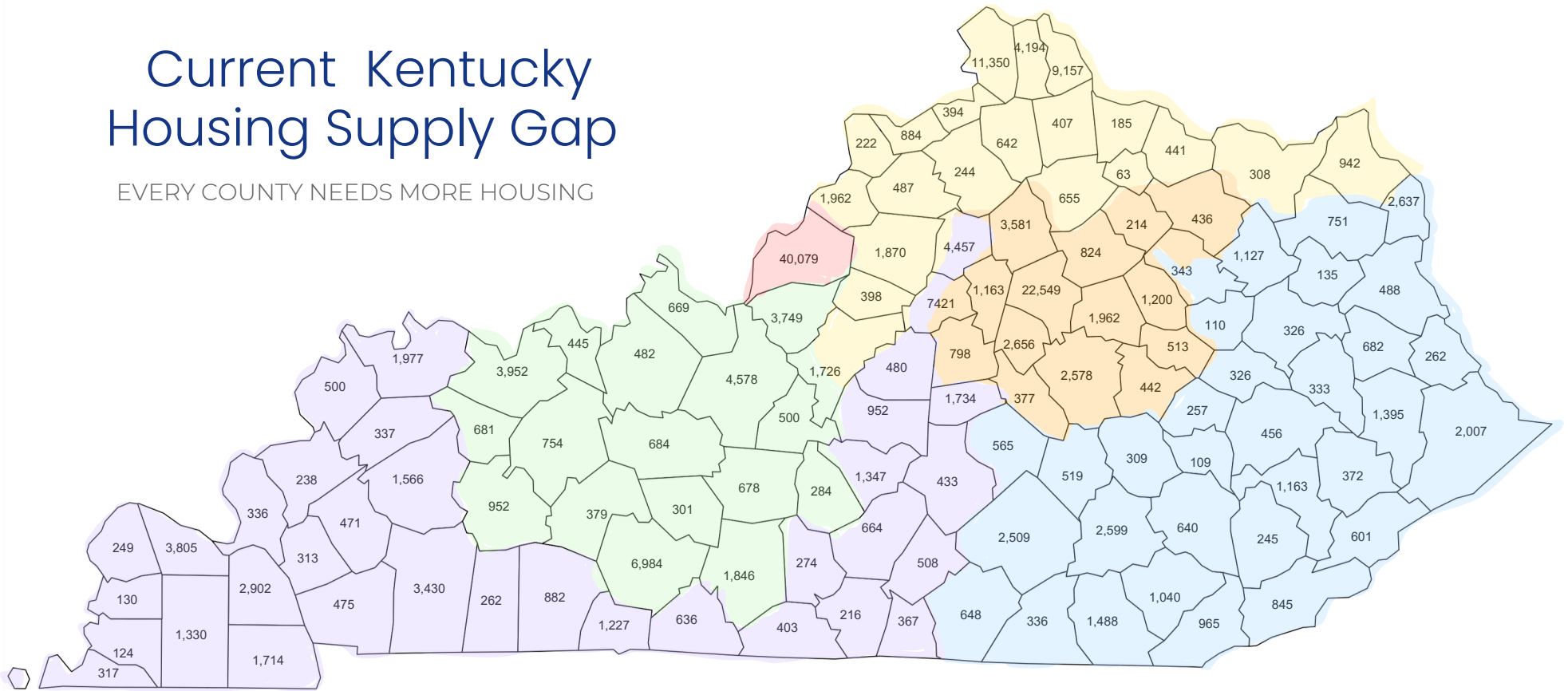
Learn More

To learn more about KHC's Housing Supply Gap reports and more, visit our website at www.kyhousingsupplygap.com or scan the QR code.



Current Kentucky Housing Supply Gap

EVERY COUNTY NEEDS MORE HOUSING



		District 1	District 2	District 3	District 4	District 5	District 6	Statewide
Current Supply Gap (2024)	Rental	16,522 (17%)	13,599 (15%)	21,575 (17%)	15,034 (20%)	11,371 (14%)	23,468 (21%)	101,569 (17%)
	For-Sale	47,402 (8%)	15,805 (7%)	18,504 (9%)	20,282 (10%)	15,217 (7%)	17,052 (9%)	104,638 (8%)
Future Supply Gap (2029)	Rental	23,307 (24%)	22,191 (24%)	28,697 (23%)	21,268 (28%)	14,414 (18%)	29,285 (27%)	139,162 (24%)
	For-Sale	24,095 (11%)	23,602 (11%)	25,471 (12%)	32,273 (15%)	16,435 (8%)	26,082 (14%)	147,958 (12%)







The map and table above display the number of additional housing units needed. The percentages in the table above indicate the district's supply gap as a share of existing occupied housing units.

Data is from the Kentucky Housing Supply Gap Analysis, available at <https://www.kyhousing.org/Data-Library/Housing-Gap-Analysis/Pages/Data.aspx>.

Federal Program Impacts



Impact of HUD Funding in Kentucky

	District 1	District 2	District 3	District 4	District 5	District 6	Statewide
 All Housing Programs	\$117,828,926	\$57,508,440	\$215,494,506	\$69,505,770	\$92,040,988	\$98,595,126	\$650,973,756
 People / Households Served	23,654 (14,607)	16,134 (9,242)	40,920 (21,600)	17,262 (10,532)	26,827 (15,722)	24,578 (13,875)	149,375 (85,578)
 Community Development Block Grant (CDBG)	\$4,931,534	\$6,447,485	\$14,908,916	\$5,874,714	\$4,898,898	\$6,769,041	\$43,830,588
 HOME Investment Partnership	\$2,517,539	\$3,004,726	\$5,843,028	\$3,207,320	\$2,497,482	\$3,972,556	\$21,042,651
 Housing Choice Vouchers	\$53,201,971	\$15,325,179	\$111,944,311	\$29,614,520	\$24,081,079	\$40,081,127	\$274,248,187
 Public Housing Program	\$27,787,958	\$12,889,966	\$31,828,786	\$15,746,457	\$29,896,777	\$19,467,315	\$137,617,259

FY23 data is from the "Federal Housing Funding Tracker" created by the Urban Institute, available at <https://www.urban.org/data-tools/federal-housing-funding-tracker>.

Homelessness in Kentucky

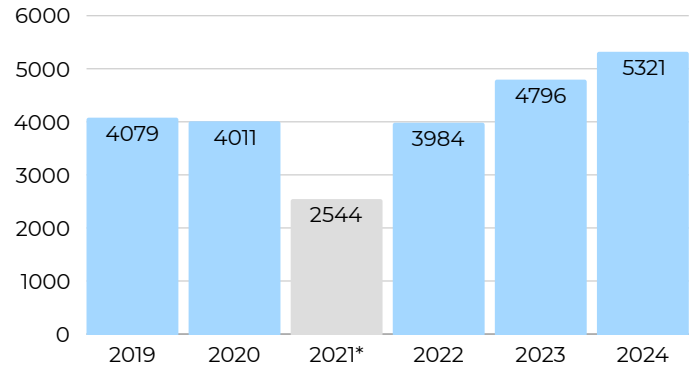
Homelessness has reached record levels in Kentucky as low housing supply drives up rent.

Kentucky is seeing increases in:

- Unsheltered Kentuckians
- First-time homelessness
- Working homeless
- Elderly homeless

We need 60,385 more apartments for our poorest Kentuckians—those at greatest risk to experience homelessness.

Annual January Homeless Count



Data is from the KY 2024 Point-In-Time County.

*Pandemic Undercount

Kentucky is Waiting on \$92M in CoC Funding from HUD

In January 2025, HUD announced competitive Continuum of Care (CoC) awards to Kentucky totaling \$45.9M for FY24 and another \$45.9M for FY25.

Kentucky needs HUD to issue award letters and grant agreements ASAP.

Kentucky is Waiting on \$8M in Annual Rent Assistance for Disabled Kentuckians

In August 2024, HUD awarded Kentucky 811 Project-Based Rental Assistance to help disabled households avoid homelessness. Funds help private landlords cover rent for 250 households.

KHC needs HUD to issue our 811 cooperative agreement ASAP.

Who uses HUD Continuum of Care Funds?



A majority of funds go to private landlords to cover rent for homeless Kentuckians.

CoC funds also support the work of 48 nonprofit shelter and service providers in Kentucky:

Louisville CoC
17 Organizations

Lexington CoC
7 Organizations

Balance of State CoC (118 counties)
24 Organizations

Data is from KHC's Homeless Management Information System.

LIHTC Impact on Kentucky

The Low-Income Housing Tax Credit (LIHTC) is a proven solution to help address the housing supply gap.

LIHTC is our nation's most successful tool for encouraging private investment in affordable rental housing. This U.S. Department of Treasury program has financed 4 million homes for low-income families and individuals nationwide since 1986.

LIHTC in Kentucky

1986 - 2023



	District 1	District 2	District 3	District 4	District 5	District 6
Homes Developed or Preserved in KY	3,751	4,340	8,463	5,467	4,332	4,343
Low-Income Households Served	5,279	6,354	12,277	7,750	6,017	6,019
Tax Revenue Generated	\$209 Million	\$253 Million	\$488 Million	\$307 Million	\$237 Million	\$237 Million
Wages and Business Income Generated	\$588 Million	\$710 Million	\$1.37 Billion	\$863 Million	\$669 Million	\$669 Million

Data is from the ACTION Campaign, updated November 2024. Visit rentalhousingaction.org for data sources and methodologies.

Ways to Accelerate Kentucky's Housing Supply



Top 4 Ways to Support Kentucky's Housing Supply

1 Sustain HUD Funding for Housing Programs

- Continuum of Care (CoC)
- Public Housing Capital and Operating
- Section 8 Housing Choice Vouchers (HCV)
- Section 8 Project-Based Contract Administration (PBCA)
- HOME Investment Partnership Program (HOME)
- Housing Trust Fund
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons With AIDS (HOPWA).
- Reduced funding for these programs would result in increased homelessness across Kentucky.

2 Leverage Kentucky's Existing Development Capacity

- Support legislation expanding Low-Income Housing Tax Credits (LIHTC) and Tax-Exempt Housing Bonds, such as the Affordable Housing Credit Improvement Act (AHICIA).
- Maintain funding for HOME Investment Partnership and Housing Trust Fund programs.

3 Increase Homeownership Opportunities

- Preserve tax-exempt status of private activity bonds that finance mortgages.
- Maintain the Federal Housing Administration (FHA) Loan Guarantee.
- Preserve the HOME Investment Partnership.

4 Modernize and Right-Size HUD While Allowing Kentucky's Housing Market to Adapt

- Reducing staff without easing regulatory burdens will obstruct progress.
- Providing advance notice of proposed changes helps developers, nonprofits, local governments, and other stakeholders plan appropriately.
- Allow for input from key stakeholders, such as states and local governments, on flexibilities and streamlining HUD programs.

The Affordable Housing Credit Improvement Act

The bipartisan Affordable Housing Credit Improvement Act (AHCIA) is comprehensive legislation to expand and strengthen the Low-Income Housing Tax Credit. This legislation has previously been co-sponsored by Reps. Andy Barr, Brett Guthrie, James Comer, Morgan McGarvey, and Hal Rogers.

Key Provisions

- Increases Housing Credit amount.
- Lowers the threshold for Private Activity Bond Financing to trigger the 4% Tax Credit.
- Enables the Housing Credit to better serve rural communities.
- Codifies protections for veterans and victims of domestic violence.
- Streamlines and simplifies program rules.

Expected Impact



Kentucky

30,300 additional affordable homes could be developed



Passing the AHCIA would also support nearly:

3 million jobs

\$115 billion in additional tax revenue

\$333 billion in wages and business income



Nationwide

1.94 million additional affordable homes could be developed

Kentucky Chamber of Commerce Housing Report

