KY Affordable Housing Trust Fund

With half of the State Fiscal Relief Funding yet to be appropriated by the legislature, Kentucky’s affordable housing nonprofit community requests a one-time $40M investment in the Kentucky Affordable Housing Trust Fund to create and preserve permanent affordable housing for low-income Kentuckians. Infrastructure to accommodate this funding boost is already in place and ready to move forward quickly and obligate the funds by the federal deadline with construction of new homebuyer and rental projects, as well as repair of existing homes. The $40M addresses the amount in funding requests Kentucky Housing Corporation is unable to fund each year among high-capacity communities and allows for new partners to be funded in areas of the state that have been historically underserved. Housing development is an eligible use of the funds, and other states have already allocated ARPA and CARES funding for similar purposes, including Florida, Illinois, and Maryland.

What does the AHTF do?
Provide grants to nonprofits on a competitive basis to:

- Build new single family homes
- Repair and rehab owner-occupied homes
- Construct new rental homes either in complexes or scattered site duplexes
- Preserve aging rental complexes through pairing with other federal resources

The nonprofits then serve families at or below 60% of the community’s Area Median Income to provide affordable homes to its residents.

How is it funded?
Through a modest $6 flat fee per real estate transaction, collected by the county clerks where the transaction occurred and transmitted to Kentucky Housing Corporation (KHC) on a quarterly basis. Transactions have generated an average of $4-5 million annually since the General Assembly established the fee schedule in 2007.

Why $40 Million?
Between 2017 and 2021, nonprofits applied for $31M in funds, while KHC was only able to award $20.3M based on receipts from real estate transactions, leaving over $10M unable to be funded in a 5 year period. The average receipts have also limited the amount KHC is able to award to individual organizations; frequently they are only allowed to apply for $400,000 at the most. The $40M would allow high performing communities to apply for more money to house low-income Kentuckians on an annual basis, as well as expand the pool of underserved communities accessing these extremely competitive funds based on their local needs. This is especially important in responding to the Western Kentucky Tornado Disaster, as 2000 homes are estimated to have been lost, and assessment is ongoing.

How many homes would $40M cover?
At $15,000 in construction and repair cost per home, we estimate that 2666 homes would be preserved and created, providing a safe place for families to live and thrive.

History
The AHTF was established in 1992 by the General Assembly under KRS 198A.720 to serve low-income Kentuckians below 60 percent of the statewide area median income. The AHTF is administered by KHC, which is overseen by an advising committee concerning matters to the trust fund. Members include legislators, advocates, and nonprofit developers.

The AHTF has:
- Leveraged more than $1 billion in other funds since 1994.
- Loaned over $20 million and granted over $70 million.
- Created more than 10,000 units of affordable housing consisting of 3,917 rental units and 6,554 single-family homes.
- 70% of funding allocated to rural housing.
- 30% of funding allocated to urban housing.
AHTF Partners

Fahe Network
Beattyville Housing and Development Corporation
Bell-Whitley Community Action Agency, Inc.
COAP Inc.
Christian Appalachian Project
Community Ventures
Frontier Housing
HOMES, Inc.
Housing Development Alliance
KCEOC Community Action Partnership
Kentucky Highlands Investment Corporation
Kentucky Mountain Housing Development Corporation
Kentucky River Community Care
Kentucky River Foothills Development Council, Inc.
Partnership Housing
People’s Self-Help Housing

Kentucky Habitat for Humanity Affiliates:
Sandy Valley HFH (Pike County)
Anderson Co
Boyle Co. HFH
Cave Run Area HFH (Morgan, Menifee & Rowan Counties)
HFH in the Foothills (Wolfe County)
Jessamine and Garrard Co. HFH
Lexington HFH
Lincoln County HFH
HFH of Madison & Clark Co.
Mercer County HFH
HFH of Montgomery County
Scott and Bourbon Co. HFH
HFH of Shelby Co, KY, Inc.
Woodford County HFH
Bowling Green/Warren, HFH
Fulton Hickman Co. HFH
Glasgow-Barren County HFH
Hardin Co. HFH Office
HFH of Henderson, KY
HFH of Hopkins County
Hopkinsville/Christian Co HFH
Marshall Co. HFH
Meade County HFH
HFH of Metro Louisville
HFH of Murray-Calloway Co.
My New Kentucky Home HFH (Washington, Marion & Nelson Counties)

HFH of Ohio County
Owensboro/Daviess County
Paducah-McCracken County HFH
HFH of Pulaski Co.
HFH of Simpson County
Spencer Co. HFH
Union County HFH
HFH of Greater Cincinnati (Boone, Campbell & Kenton Counties)

Additional Homeless and Housing Coalition of Kentucky Members:
Appalachian Apostolate, Inc.
Arbor Youth Services
CARES
CAS of Lexington
Clark County Community Services
Community Action Council
Cumberland Valley Domestic Violence Services
D.O.V.E.S of Gateway
Daniel Pitino Shelter
Emergency Shelter of Northern Kentucky
Gateway Homeless Coalition, Inc.
Henderson Christian Community Outreach
Hope’s Wings
HOTEL, Inc.
Housing Opportunities of Northern Kentucky
Kentucky Association of Sexual Assault Programs
Kentucky Habitat for Humanity
Kentucky Mental Health Coalition
Kentucky Voices for Health
Lexington Community Land Trust
Lexington Fair Housing Council
Lexington Rescue Mission
Lifeskills, Inc.
Matthew 25 AIDS Services
Metropolitan Housing Coalition
Paducah Cooperative Ministries
Roman Catholic Bishop of Owensboro
Room in the Inn Bowling Green
Shelter of Hope
Simon House
St. Benedict Shelter
United Way of Paducah/McCracken County
Welcome House
Wellspring