

KENTUCKY HOUSING TASK FORCE

Minutes of the Fifth Meeting of the 2024 Interim

October 21, 2024

Call to Order and Roll Call

The fifth meeting of the Kentucky Housing Task Force was held on October 21, 2024, at 1:00 PM in Room 171 of the Capitol Annex. Representative Susan Witten, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representative Susan Witten, Co-Chair; Senators Julie Raque Adams, Jimmy Higdon, and David Yates; Representatives Kevin D. Bratcher, Randy Bridges, Lindsey Burke, and Mike Clines.

Guests: Wendy Smith, Kentucky Housing Corporation; Stephanie Dietz, State Representative, House District 65; Tara Johnson-Noem, Northern Kentucky Area Development District; Catrena Bowman, Northern Kentucky Community Action Commission; Sharmili Reddy, Planning and Development Service of Kenton County; Darryl Neher, Lexington Habitat for Humanity; Heath Duncan, Pennyriple Region Habitat for Humanity; Mike Hynes, Winterwood; George Eklund, Coalition for the Homeless, Louisville); Ra'Shann Martin, St. John Center, Louisville; Lacy Boling, Paducah Cooperative Ministry; and Andrew Hawes, Housing Partnership, Inc.

LRC Staff: Christopher Jacovitch, Christina Gordley, and Cheryl Walters.

Approval of Minutes

Upon the motion of Senator Raque Adams, seconded by Senator Mills, the minutes from the September 23, 2024, meeting were approved.

Discussion of Phase II of Kentucky Housing Corporation's Housing Supply Gap Analysis and Housing Policies in Other States

Wendy Smith, Deputy Executive Director of Housing Programs, Kentucky Housing Corporation (KHC), discussed Phase II of the Kentucky Housing Supply Gap Analysis. Ms. Smith discussed how other states are accelerating the construction of housing, including land use and zoning incentives or mandates; state housing tax credits; and funding and financing for housing infrastructure and development.

In response to a question from Representative Bratcher, Ms. Smith stated several drivers caused the housing gaps. The biggest driver being the loss of home builders and developers since the 2008 recession. Immigration and migration have probably played a role in housing shortfalls due to increased demand, but most problems are on the supply side.

In response to another question from Representative Bratcher, Ms. Smith stated the 287,000-unit deficit is projected over the next five years, and is the product of 20 years of depressed homebuilding.

In response to a question from Senator Yates, Ms. Smith said it is hard to specify one goal for Kentucky, but that the goal should be to incentivize more supply.

Senator Mills commented that he agreed with Ms. Smith's assessment regarding the loss of builders and developers.

Discussion of Housing Issues in Northern Kentucky

Representative Stephanie Dietz, House District 65; Tara Johnson-Noem, Executive Director, Northern Kentucky Area Development District; Sharmili Reddy, Executive Director, Planning and Development Service of Kenton; and Catrena Bowman, Executive Director, Northern Kentucky Community Action Commission, discussed how Northern Kentucky is affected by housing issues.

Representative Clines thanked Representative Dietz for taking the lead in Northern Kentucky.

Discussion of Housing Issues from Perspective of Affordable Housing Builders

Darryl Neher, CEO, Lexington Habitat for Humanity; Heath Duncan, Executive Director, Pennyryle Region Habitat for Humanity; and Mike Hynes, CEO, Winterwood, discussed Kentucky Habitat for Humanity's challenges and efforts to scale up production of homes.

In response to a question from Senator Higdon, Mr. Hynes replied that Affordable Housing Trust Fund dollars have been used to build homes, and highlighted the 34 homes built in Madison County, among others.

In response to a question from Representative Burke, Mr. Neher stated further conversations would be required to determine additional revenue streams for the Affordable Housing Trust Fund.

Senator Mills thanked Mr. Duncan for his work in Hopkins County.

Discussion of the Impact of Housing Shortages on Homelessness

George Eklund, Director of Education and Advocacy, Louisville Coalition for the Homeless; Ra'Shann Martin, Executive Director, St. John Center in Louisville; and Lacy Boling, Executive Director, Paducah Cooperative Ministry, discussed how homelessness is a housing problem and offered policy proposals to address the housing crisis and homelessness.

In response to a question from Representative Burke, Mr. Eklund stated homeless assistance groups would be aided if the state matched at least 50 percent of the Emergency Solutions Grants.

In response to a question from Senator Yates, Ms. Martin stated the total cost to build Sheehan Landing, 80 one-bedroom apartments in a facility with on-site services for residents, was \$28 million. She did not have a breakdown of the costs.

In response to a question from Representative Bridges, Mr. Eklund said since COVID, there has been an increase in homelessness despite a decrease over the previous decade. He said he could provide specific numbers for the committee.

Discussion of Rehabilitation of Dilapidated Homes

Andrew Hawes, President, Housing Partnership, Inc. (HPI), stated HPI is asking the legislature to pass legislation that would allow Kentucky-based nonprofits to purchase tax liens of vacant and abandoned properties for the development of affordable housing.

In response to a question from Representative Witten, Mr. Hawes said changing the law would allow HPI to tear down and build new homes, but it would be a decade long process.

Senator Mills commented that the legislature would work to get a change drafted. In response to a question from Senator Mills, Mr. Hawes said it would cost between \$80,000 and \$90,000 per home to make available for sale.

In response to a question from Senator Higdon, Mr. Hawes stated that foreclosures take a long time and a sunset on any legislation may be challenging.

Announcements

Representative Witten announced that the last meeting of the Task Force would be November 12, 2024. Senator Mills told members to come to the meeting with any changes they might have to the report they would be receiving prior to the meeting.

Adjournment

There being no further business, the meeting was adjourned at 3:10 PM.