



Home Builders Association of Kentucky

"Building Kentucky Together"

Who We Are

- Anetha Sanford, CEO
- Scott Welch, Welch Builders - President
- Formed in 1957, the HBAK was established to provide a voice for the housing and building industry in Kentucky's legislative and regulatory environment.
- Protect the American Dream of housing opportunities for all, while working to achieve professional success for members who build communities, create jobs and strengthen our economy.





“As Kentucky’s leaders seek to grow the state’s economy and workforce, meeting the Commonwealth’s current and future housing needs must be a priority... It’s time to build a literal foundation for growth, and that means more housing and more home building.”



Looking to other states...

- Residential Infrastructure Funding Mechanisms - Indiana 2023
- Residential Infrastructure Development Act – Tennessee 2024
- Building code reforms (Tennessee 2024)

Infrastructure & Regulations

- Infrastructure - represents one of the most significant expenses in housing and construction projects.
- Regulations - such as building and energy codes can significantly influence project costs. NAHB – it is estimated that 25% of a home's cost comes from regulations (permit fees, codes, inspections, studies, etc.).



Goal:

...to help move the needle and equip stakeholders with effective tools to expand housing access and open the door to homeownership for Kentuckians.



What we see as benefits of the Indiana RIF



Assists with Necessary
Infrastructure



Locally-Driven

Developers and the community working together



Prioritizes Land Use Reforms



Voluntary



Encourages Zoning Reforms

A Closer Look:

SHERRY SEIWERT
Indiana Finance Authority





Residential Infrastructure Basics



- The purpose of the Residential Infrastructure Fund(Fund) is to provide financial assistance to eligible participants to finance infrastructure projects that support residential housing development in communities that demonstrate need for additional housing inventory based on local job growth
- Appropriated through HB 1005 in 2023 established by IC 5-1.2-15.5
- \$50M of state funding was initially appropriated to provide low interest loans for the development of housing infrastructure
- An additional \$25M of state funding was appropriated in 2024



Uses of the Fund



- A water distribution system
- A water treatment plant
- A wastewater treatment plant
- A sanitary sewer system
- A storm sewer system
- A lift station
- A traffic signal
- A street light
- An electric or gas distribution line
- A street, road, or bridge
- A curb, gutter, or sidewalk
- Purchase of land necessary to accommodate the infrastructure



Fund Requirements



Seventy percent (70%) of the appropriations to the Fund must be used for housing infrastructure in political subdivisions with a population of less than fifty thousand (50,000) and the remaining thirty percent (30%) must be used for housing infrastructure in political subdivisions not eligible for the 70% allocation.



Eligibility Requirements



For a project to be “eligible”, a political subdivision’s application must include but is not limited to the following criteria:

- (a) Demonstration of need
- (b) Type of infrastructure needed
- (c) Detailed description of all project components including the housing that will be developed
- (d) Preliminary engineering plans
- (e) Proposed repayment source



Program Prioritization



- Projects that are ready to move forward with construction within six (6) months after loan closing
- Verification that the political subdivision: (a) Invested in a housing study within the last five (5) years; or (b) demonstrated the need for additional housing inventory as indicated by the Indiana Housing and Community Development Authority's ("IHCDA"). <https://indianahousingdashboard.com>
- The political subdivision has voluntarily revised development ordinances and regulations
- The political subdivision has secured other funding to contribute to the project



Interest Rates & Repayment



- The interest rate will be a fixed rate for the life of the RIF Loan.
 - The interest rate for the RIF program resets quarterly on the first business day of each January, April, July and October and is calculated by using 90% of the average 20-year, AAA-rated, general obligation bond Municipal Market Data composite index for the most recent calendar month preceding a reset.
 - The rate for the applicant shall be the published rate upon the date of the pre-closing call with IFA, which occurs approximately two-weeks prior to the closing.
- Principal and interest on the RIF Loan will be payable semi-annually on February 1 and August 1, unless legally restricted to alternative payment dates.

Process





By the Numbers



- To date, 17 loans have been closed totaling \$60.7M with an expected 2737 units of housing to be built.
 - 1539 Single-family
 - 1198 Multi-family
- The 17 loans closed will provide more than \$25M in savings to communities.
- On average, RIF is 10% of the total development cost of the project.



Recent Changes



- The municipalities need to adopt and implement a majority of the following policies for residential housing:
 1. Invest in a housing study within the last five years;
 2. Have voluntarily revised land development regulations to allow for:
 - a. Higher density development of **duplexes, triplexes and fourplexes in the areas designated for single family;**
 - b. Construction of other housing types including accessory dwellings, manufactured and modular housing;
 - c. Adaptive reuse of commercial buildings for residential use **such as allowing multifamily development in retail, office and light manufacturing zones;**
 - d. **Increasing the allowable floor area ratio in multifamily housing areas; or**
 - e. Waiver or elimination of regulations such as requirements for:
 - (i) garage size and placement (ii) steeper roof pitch (iii) minimum lot size and sq. footage (iv) greater setbacks (v) off-street parking (vi) design standards that restrict or prohibit the use of code compliant products (vii) **property height limitations**



Recent Changes (con't)



- (3) **Have streamlined or shortened the permitting processes and timelines, including through one stop and parallel process permitting.**
- (4) Do not have impact fees
- (5) Have secured private, local, state, or federal funds to contribute to the eligible project.
- (6) Have secured a letter of support from an employer stipulating that the public infrastructure will support residential housing that is in reasonable proximity to employment.
- (7) Assist homeowners to age in place through restoration or renovation of existing homes.
- (8) **Have established density bonuses**
- (9) **Use property tax abatements to enable higher density and mixed income communities.**
- (10) **Have donated vacant land for affordable housing development.**



Contact



[IFA: Residential Housing Infrastructure Assistance Program \(RIF\)](#)

For more information please contact:

Kary Long, IV
Finance Manager
KaryLong@ifa.in.gov
(p) 317-233-7307

Sherry Seiwert
Program Director
SSeiwert1@ifa.in.gov
(p) 317-653-5194



Contact Us

ADDRESS

1040 Burlington Ln. Frankfort, KY 40601

EMAIL

anetha@hbak.com

PHONE

502-875-5478