Modernizing the Affordable Housing Trust Fund

Presentation to the Kentucky Housing Task Force
September 2025

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Adrienne Bush, Homeless and Housing Coalition of KY
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Housing Needed for 0-60% Area Median Income Kentuckians

Homeownership: 39,813
Rental: 86,152
Total: 125,964 units

Kentucky Housing Supply Gap

Statewide

Current (2024) All

Select Current (2024) or Projected (2029) and a county from the list or click on the map to see supply gap needs.

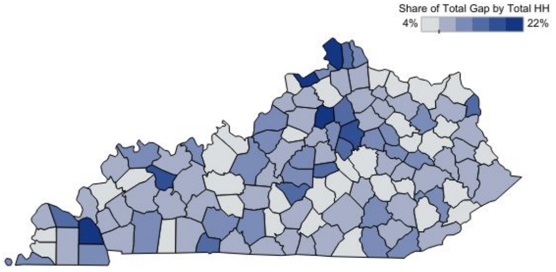
Current (2024) Housing Gap

Total Housing Units Needed

206,207

Total Rental Units Needed: 101,569

Total For-Sale Units Needed: 104,638



	<30% AMI	31% - 50% AMI	51% - 80% AMI	81% - 120% AMI	121% - 150% AMI	151%+ AMI
Rental Gap	60,385	19,161	13,211	6,980	1,132	700
For-Sale Gap	19,434	14,179	18,599	17,972	13,896	20,558

Housing units needed broken down by Area Median Income (AMI) groups.

Click here for AMI Dollar Amounts County Table

Credit: Kentucky Housing Corporation + Bowen National Research

Housing Needed for 0-60% Area Median Income Kentuckians

Homeownership: 58,807
Rental: 207,966
Total: 166,773 units

Kentucky Housing Supply Gap

Statewide

Projected (2029) All

Select Current (2024) or Projected (2029) and a county from the list or click on the map to see supply gap needs.

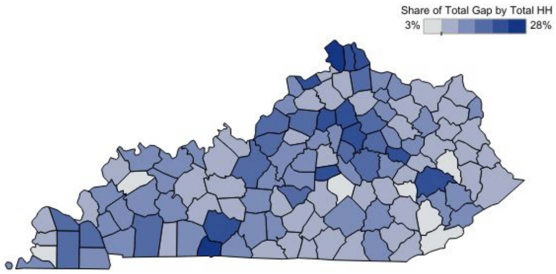
Projected (2029) Housing Gap

Total Housing Units Needed

287,120

Total Rental Units Needed: 139,162

Total For-Sale Units Needed: 147,958



	<30% AMI	31% - 50% AMI	51% - 80% AMI	81% - 120% AMI	121% - 150% AMI	151%+ AMI
Rental Gap	77,554	21,172	18,479	11,993	7,732	2,232
For-Sale Gap	23,436	24,586	32,356	33,630	28,944	5,006

Housing units needed broken down by Area Median Income (AMI) groups.

Click here for AMI Dollar Amounts County Table

Credit: Kentucky Housing Corporation + Bowen National Research

How AHTF Increases + Preserves Housing Supply

The AHTF is a funding vehicle established by the General Assembly in 1992 under KRS 198A.720 to support the production of housing for Kentuckians living below 60% of the statewide area median income ($35,400 for 1 person or $50,520 for a family of 4 in 2025).

The AHTF funds three types of projects:

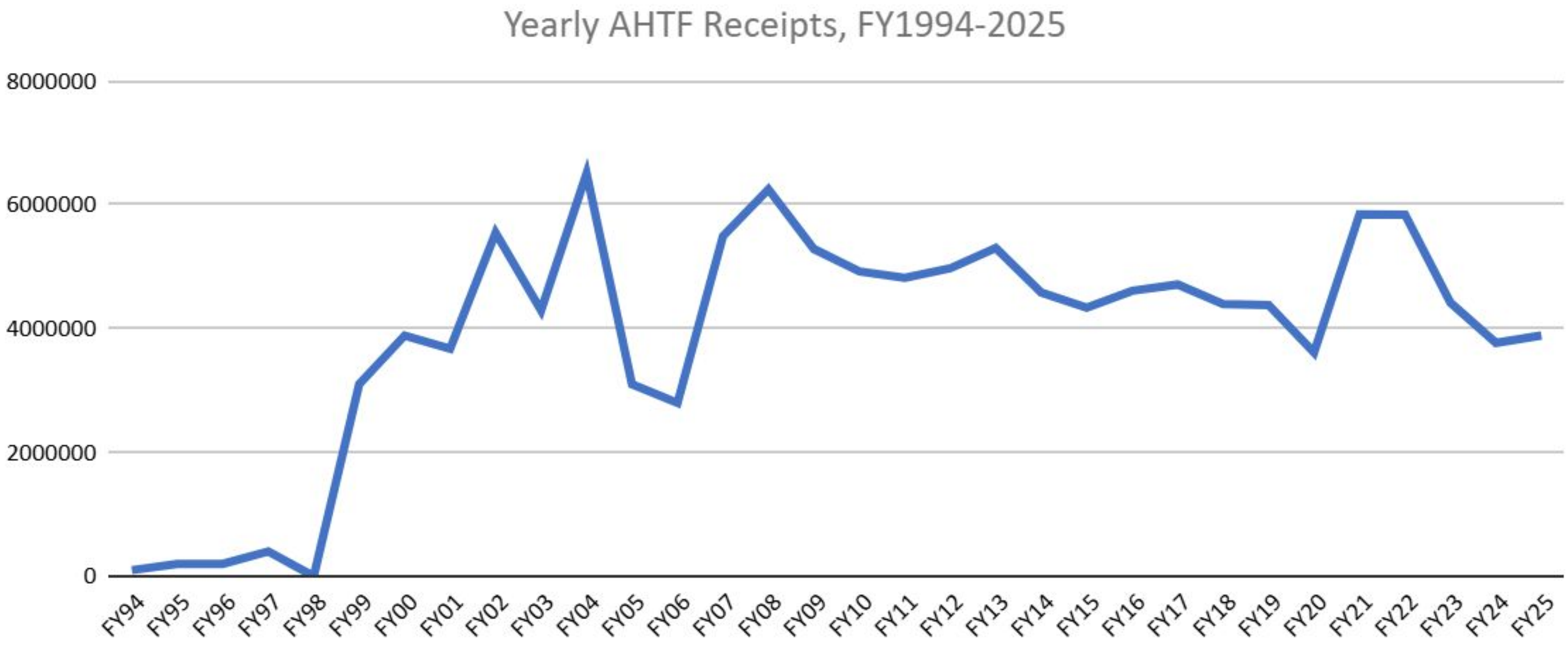
1. Single-family home construction
2. Emergency repairs to preserve existing homes
3. Rental development for duplexes and apartments

Hardin County Habitat for Humanity project funded in part by AHTF

How AHTF Is Funded Now

- In 2007, the General Assembly adopted a permanent funding source through the real estate transfer process. It now receives $6 per deed transfer and $6 per mortgage recording fee.
- There is no recurring appropriation from the biennial budget.
- Over the last 3 years, the fees have only generated $3-4M annually.
- Due to low housing inventory, receipts have steadily declined from a high of $5.8 million, and inflation in the construction industry has further eroded its purchasing power.

The Fund Is Declining



Credit: Fahe/HHCK analysis of receipts provided by Kentucky Housing Corporation

How AHTF Is Dispersed and Leveraged

RFW Apartments for human trafficking survivors in Garrard County

- Kentucky Housing Corporation awards funds through annual competitive grant applications to nonprofit developers based on local community needs.
- All funds are awarded and forward committed annually.
- Project applications exceed the amount available each year.
- Leveraging power of $1: $7.90 in additional housing investment, according to KHC.
- AHTF can match funding from the U.S. Department of Housing and Urban Development and U.S. Department of Agriculture, plus the Federal Home Loan Bank.

Impact of AHTF on Housing Construction

Since the fund became operational in 1994:

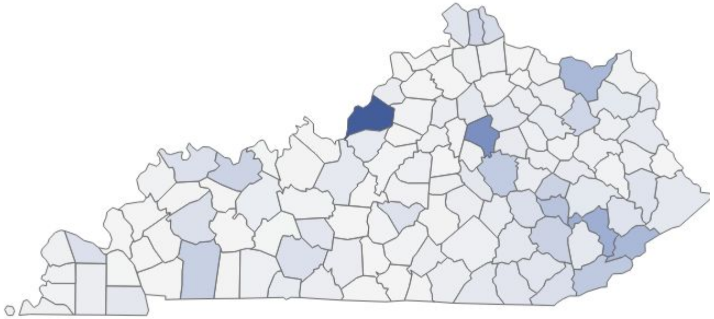
- $48M has been loaned and $118M granted.
- 12,600 units of affordable housing have been developed or preserved.
    - 52% of AHTF resources have funded homeownership construction & repair, and 48% funded rental development.
- 63% of funds have been awarded to rural areas, while 36% have been awarded to urban areas.

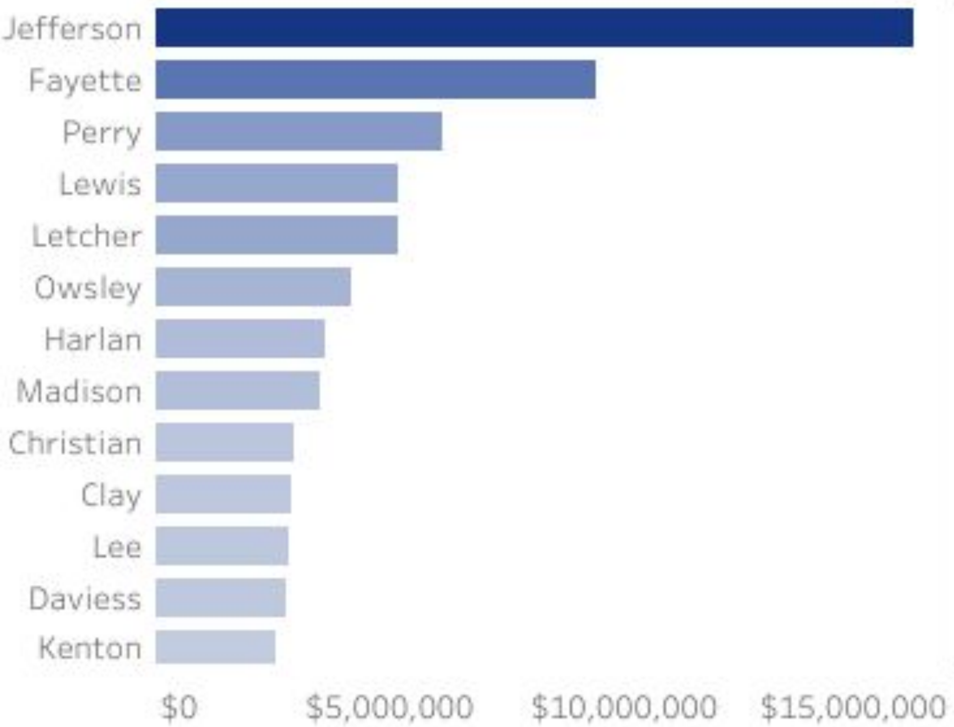
New home construction on Thompson Branch in Letcher County for flood survivors.

AHTF Statewide Reach

Affordable Housing Trust Fund, 1994-Present

Below is the breakdown of the Affordable Housing Trust Fund awards by county. Use the filter to the right to view the awards by the county filter to search for specific counties.





Credit: [Tableau/Kentucky Housing Corporation]

How the AHTF Helps Build Housing in Eastern Kentucky

Housing Development Alliance
Hazard

- 2024 Housing Supply Gap in Perry, Knott, Leslie, Perry: 2,200 homes
- 380 on homeownership waitlist
    - Effectively a 6 year wait time
- 180 on home repair waitlist
- Plan to build 60 homes this year

Flexibility of AHTF

- Disaster home repair
- Non-disaster home repair
- New homes
- Duplexes
- Multifamily redevelopment
- Not subject to federal regulations
- Modernized AHTF would help blunt the impact of potential cuts to federal housing development funds

How AHTF Benefits Mountain Communities

- Workforce
  - 51 employees
  - 30 construction personnel
  - Annual payroll $3M
- Local businesses
  - $5M in regular subcontract work
  - ~$5M in building materials bought locally
- Local tax base
  - Occupational tax for cities/counties
  - $11M to property tax base
  - Mitigating the impact of flood on properties

Capacity of Nonprofit Developers

Big lesson from the 2022 flood:

- Pre-flood: 20 houses + $400k in repairs annually
- Post-flood after Rural Housing Trust Fund + federal funds were awarded: 60 houses + $2M in repairs
- Replicated with other area nonprofits in adjacent service area impacted by floods

How We Can Modernize the AHTF

- Scale the impact of the AHTF by increasing the portion of the real estate mortgage and deed transaction recording and indexing fees designated for the AHTF to $13 and $23, respectively, by amending KRS 64.012, Fees of County Clerks.
- The adjusted amount will yield approximately $10M per year and a projected 600 additional homes built and repaired annually, an increase from the $3.7M received and 162 constructed in 2024.
- Index the fee annually using the percent increase in the non-seasonally adjusted annual average Consumer Price Index for All Urban Consumers (CPI-U) to help address future market fluctuations/inflation.
- The increase and indexing of the fee mechanism is estimated to result in the construction or repair of **6,000 single-family and rental homes being built over the next 10 years**, helping to leverage additional grant dollars, support the housing development workforce, and begin to close the largest housing supply gap for Kentuckians.

How Other State Housing Trust Funds Compare

- General Fund appropriations
- Other special purpose fees
- **Recording fees during real estate transfers**

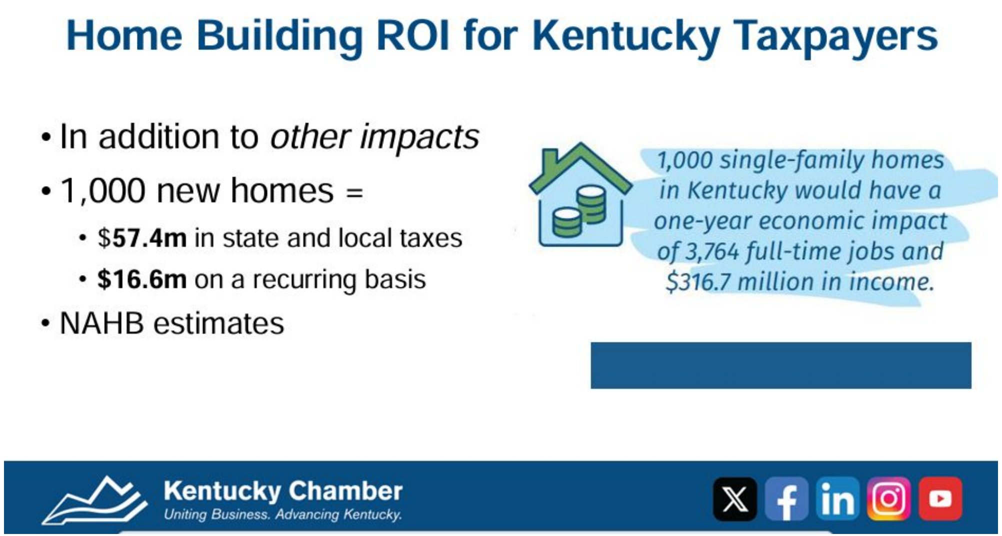
State	Recording Fee For Housing Trust Fund
California, Illinois Massachusetts	**$75** per recording
Connecticut	**$26** per recording
Ohio	**$17** for the first 2 pages; $4 each additional
Oregon	**$60** for the first page; $5 each additional
Washington	**$99** per recording
West Virginia	**$20** per recording

Credit: Kentucky Housing Corporation presentation to the Housing Task Force, June 2025

How Kentuckians & Kentucky Benefit

- "Research demonstrates that access to stable housing may improve health outcomes and decrease health care costs." National Conference of State Legislatures, 2023

- "Providing access to stable and affordable housing reduces disruptions from involuntary and frequent residential mobility and provides children with consistent learning experiences." Habitat for Humanity Research Brief, 2023



Credit: [KY Chamber of Commerce Presentation to Housing Task Force July 2025]

Thank you!

The Gateway on Broadway - mixed use senior housing redeveloped in Park Hill Industrial Corridor by the Housing Partnership - Louisville.

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HHCK HOMELESS & HOUSING COALITION OF KENTUCKY

COALITION FOR THE HOMELESS

fahe Strength in Numbers

Kentucky Habitat for Humanity® State Support Organization