KENTUCKY HOUSING TASK FORCE 2025

Minutes of the Third Meeting of the 2025 Interim

September 22, 2025

Call to Order and Roll Call
The third meeting of the Kentucky Housing Task Force 2025 was held on September 22, 2025, 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 Jared Carpenter, Matthew Deneen, Jimmy Higdon, and Gerald A. Neal; and Representatives Mike Clines, Jennifer Decker, Kim Holloway, and Joshua Watkins.

Guests: Anetha Sanford, CEO, Home Builders Association of Kentucky (HBAK); Sherry Seiwert, Program Director, Indiana Residential Infrastructure Fund (IRIF); Scott Welch, President, HBAK; Representative Steve Bratcher; Adrienne Bush, Executive Director, Homeless and Housing Coalition of Kentucky (HHCK); Scott McReynolds, Executive Director, Housing Development Alliance (HDA); Senator Julie Raque Adams; Representative John Hodgson; and Representative Jason Nemes.

LRC Staff: Mark Mitchell, Cynthia Brown, Christopher Jacovitch, and Faithe Wheatley.

Approval of July Minutes
A motion was made by Senator Higdon and seconded by Senator Deneen to approve the minutes of the July 28, 2025, meeting. Minutes were approved by voice vote without objection.

Discussion of Indiana Residential Infrastructure Fund
Anetha Sanford, CEO, HBAK, discussed the "Building a Foundation for Growth" report created by the HBAK and the Kentucky Chamber of Commerce. The report surveyed recent changes in other states regarding residential infrastructure funding and building code reforms. Ms. Sanford discussed Indiana's Residential Infrastructure Fund (RIF) which assists with necessary infrastructure, prioritizes land use reforms, encourages zoning reforms, and is a voluntary program.

Sherry Seiwert, Director, IRIF, gave a technical overview of Indiana's RIF program.

In response to Co-Chair Mills, Ms. Seiwert stated five or more of the recent ordinance changes are required to be adopted by the local municipalities before an application can be submitted. She stated the Indiana Builders Association and Association of Indiana Municipalities were consulted when working through the recent changes.

In response to Senator Higdon, Ms. Seiwert stated the set up and requests for additional money for a residential infrastructure fund like Indiana's would be dependent on Kentucky's legislature. Ms. Sanford said HBAK has a group working on numbers and suggestions and would share them with the task force.

In response to Chair Witten, Ms. Seiwert said the percentage of funding given to rural and urban requests was mandatory and clearly written in the statutory language. The requests from rural areas are typically smaller, but they have received more such requests. The focus on rural areas has been an incentive for builders to construct housing in those areas, which are typically underserved.

Chair Witten commented housing without infrastructure is not a solution. Indiana's RIF program may help solve Kentucky's housing crisis in a dramatic way.

In response to Co-Chair Mills, Ms. Seiwert stated there is not a dedicated way to repay the loans. A secure way is made to repay the loans, but each loan is specifically worked out in the community. Ms. Seiwert also stated there is not a cap on the request amount, no income cap, and no affordability cap.

In response to Senator Carpenter, Ms. Sanford verified the funds for this program would be used only for infrastructure needs.

Co-Chair Mills requested Scott Welch, President, HBAK, share impediments in building within his own home building and land development work in Louisville, Kentucky, and offer possible legislative solutions. Mr. Welch described projects that are hard to get off the ground because of the significant upfront infrastructure cost. Mr. Welch stated having infrastructure funds available to Kentucky builders like Indiana's program, would be invaluable to these projects. Co-Chair Mills stated the importance of continuing to hear from the people doing the work on the ground.

Discussion of Affordable Housing Trust Fund

Representative Bratcher discussed 2025 RS HB 588 and the Affordable Housing Trust Fund (AHTF).

Adrienne Bush, Executive Director, HHCK, gave an overview of how the AHTF increases and preserves the housing supply, the way it is currently funded, how it is dispersed and leveraged, the impact of AHTF on housing construction, and how the AHTF can be modernized. Ms. Bush also provided information about how other state housing trust funds compare to Kentucky’s.

Scott McReynolds, Executive Director, HDA, provided an overview of how the AHTF and his organization help build housing in eastern Kentucky. He stated the AHTF is invaluable to places like eastern Kentucky.

In response to Representative Watkins, Ms. Bush stated she was not aware of any complaints in other states that have higher recording fees paid into those states' affordable housing trust funds. Ms. Bush and Representative Bratcher emphasized the fee increases proposed for Kentucky would represent a very small percent of total closing costs associated with a home sale. Representative Bratcher stated there was a low default rate among those able to obtain affordable housing, and that it allows them to achieve more self-sufficiency.

In response to Representative Nemes, Ms. Bush explained the funding competitions are run by the Kentucky Housing Corporation. She stated most states are using deed recording fees as the mechanism to fund their housing trust funds. Representative Bratcher discussed the distribution from the AHTF throughout the state, and stated that income levels may need to be reevaluated.

In response to Senator Higdon, Mr. McReynolds stated smaller homes for people with limited incomes are becoming more normalized. Energy and tax bills associated with larger homes may put a financial strain on low-income individuals. Representative Bratcher stated newer, more energy efficient homes can also reduce energy costs.

Senator Higdon stated using a CPI adjustment would put the six-dollar fee at ten dollars in today's money. Mr. McReynolds stated he believes home industry costs have risen substantially and cited examples.

In response to Senator Carpenter, Mr. McReynolds stated his organization does not build in areas that have flooded but will repair some homes in flood areas that are not significantly damaged. Mr. McReynolds stated some roofing work is done on homes of very low-income individuals that cannot afford insurance or where the damage is from wear and tear not covered by insurance. Additionally, when people are provided with affordable housing, they are given counseling to assist with costs associated with owning a home.

In response to Co-Chair Mills, Ms. Bush said prior to the imposition of recording fees in 2007, the AHTF had been funded by proceeds from the governor's derby breakfast, excess lottery proceeds, and modest appropriations from the General Assembly. Ms. Bush stated funds were quickly awarded from the Rural Housing Trust Fund for home building projects. Co-Chair Mills stated the Realtor's Association should be consulted regarding any changes to fees.

Discussion of Urban Infill
Representative Hodgson, Representative Nemes, and Senator Raque Adams discussed urban infill and housing/infrastructure challenges and opportunities in Jefferson County/Metro Louisville.

In response to Senator Carpenter, Representative Hodgson confirmed land cost is the biggest reason that more reasonably priced houses are not built, and that developers request more density as a result to recover costs. Representative Hodgson stated density without infrastructure to support it creates problems. Representative Nemes commented on the Formula of the Fifths, which he stated negatively affects Louisville.

Representative Watkins commented he would like to be part of a conversation that pertains to economic development, transportation, and housing inside the urban core. Representative Nemes stated significant funds have been expended in the Louisville urban core.

In response to Co-Chair Mills, Senator Adams stated tax credits would provide a good incentive. Representative Hodgson stated developers will go where it is easiest and cheapest to build, and investments should be made in building in already dense areas. Representative Nemes stated access to property is most important for encouraging development.

Senator Higdon commented the Formula of the Fifths is broken and needs to be modernized.

Adjournment
Chair Witten announced the next meeting of the Kentucky Housing Task Force is Monday, October 20, 2025 at 1 PM. The final meeting date has been changed to November 24, 2025.

There being no further business, the meeting was adjourned at 2:43 PM.