

CHAPTER 61**(SB 45)**

AN ACT relating to the Kentucky Housing Corporation and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198A.010 is amended to read as follows:

The following words and terms, unless the context clearly indicates a different meaning, shall have the following respective meanings:

- (1) "Bonds" or "notes" means the bonds or bond anticipation notes authorized to be issued by the corporation under this chapter but shall not include any fund notes;
- (2) "Commonwealth" means the Commonwealth of Kentucky;
- (3) "Corporation" means the Kentucky Housing Corporation created by this chapter;
- (4) "Sponsors" means persons, corporations, associations, partnerships, or other entities, consumer housing cooperatives and limited dividend housing corporations, associations, partnerships, or other entities organized pursuant to the Kentucky Revised Statutes for the primary purpose of providing housing to persons and families of lower and moderate income, and shall include without limitation, organizations engaged in the production, origination, and development of residential housing units intended to qualify for financial assistance pursuant to Section 8 of the United States Housing Act of 1937, as amended;
- (5) "Development costs" means the costs approved by the corporation as appropriate expenditures and credits which may be incurred by sponsors of residential housing, prior to commitment and initial advance of the proceeds of a construction loan or of a mortgage loan, including, but not limited to:
 - (a) Payments for options to purchase properties on the proposed residential housing site, deposits on contracts of purchase, or, with prior approval of the corporation, payments for the purchase of ~~such~~ properties;
 - (b) Legal and organizational expenses, including payments of attorney's fees, project manager, clerical, and other staff salaries, office rent, and other incidental expenses;
 - (c) Payment of fees for preliminary feasibility studies and advances for planning, engineering, and architectural work;
 - (d) Expenses for tenant surveys and market analyses;
 - (e) Necessary application and other fees; and
 - (f) Credits allowed by the corporation to recognize the value of service provided at no cost by the sponsors, builders, and/or developers;
- (6) "Fund notes" means the notes authorized to be issued by the corporation under the provisions of KRS 198A.080;
- (7) "Governmental agency" means any city, county, or other political subdivision of the Commonwealth, the Commonwealth and any department, division, or public agency thereof, the federal government or any political subdivision of any other state, any public housing authority or any nonprofit corporation or other entity legally empowered to act on behalf of

any of the foregoing to perform the duties of a public housing authority, or any two (2) or more thereof;

- (8) "Housing development fund" means the housing development fund created by KRS 198A.080;
- (9) "Insured construction loan" means a construction loan for land development or residential housing which is secured by a mortgage either insured or guaranteed by or for which there is a commitment to insure or guarantee by:
- (a) The United States of America or any agency or instrumentality thereof; or
 - (b) Any other entity which has been duly approved for the insuring of such loans by the United States of America or by the Commonwealth of Kentucky or any agency or instrumentality thereof;
- (10) "Insured mortgage" or "insured mortgage loan" means a mortgage loan for land development for residential housing or for residential housing either made, insured, or guaranteed by or for which there is a commitment to make, insure, and guarantee by:
- (a) The United States of America or any agency or instrumentality thereof; or
 - (b) Any other entity, including private mortgage insurance, which has been duly approved for the insuring of such loans by the United States of America or by the Commonwealth or any agency or instrumentality thereof and shall also refer to and mean any loan for residential housing not secured by mortgage which is insured or guaranteed to at least eighty-five percent (85%) of its principal amount by the United States of America or any agency or instrumentality thereof;
- (11) "Land development" means the process of acquiring land primarily for residential housing construction for persons and families of lower and moderate income and making, installing, or constructing nonresidential housing improvements, including water, sewer, and other utilities, roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and other installations or works, whether on or off the site, which the corporation deems necessary or desirable to prepare ~~the~~^{such} land primarily for residential housing construction;
- (12) "Obligations" means any bonds, bond anticipation notes or fund notes authorized to be issued by the corporation under the provisions of this chapter;
- (13) "Persons and families of lower and moderate income" shall include only those individuals whose family income combined does not exceed ***the income requirements defined under Section 143 of the Internal Revenue Code of 1986, as amended***~~[an aggregate total of:~~
- ~~(a) Twenty five thousand dollars (\$25,000) per year, for the fiscal year ending June 30, 1986; and for subsequent fiscal years ending June 30, the amount set by this paragraph for the immediately preceding fiscal year, increased to the nearest one hundred dollars (\$100) by the percentage increase, if any, in the annual average for all items of the consumer price index for all urban consumers (CPI-U) of the Bureau of Labor Statistics of the United States Department of Labor for the preceding calendar year plus;~~
 - ~~(b) Fifteen hundred dollars (\$1,500) for head of household status, if applicable; plus~~
 - ~~(c) Fifteen hundred dollars (\$1,500) for each dependent living in the subject household; plus~~

~~(d) Twenty five hundred dollars (\$2,500) if the residential housing is situated in an eastern Kentucky county as designated by the board of directors of the corporation;~~

- (14) "Residential housing" means a specific work or improvement undertaken primarily to provide dwelling accommodations for persons and families of lower and moderate income, including the acquisition, construction, or rehabilitation of land, buildings, and improvements~~[thereto], and[such] other nonhousing facilities as may be incidental[or appurtenant thereto];[and]~~
- (15) "Tenant programs and services" means services and activities for persons and families living in residential housing, including the following:
- (a) Counseling on household management, housekeeping, budgeting, and money management;
 - (b) Child care and similar matters;
 - (c) Access to available community services related to job training and placement, education, health, welfare, and other community services;
 - (d) Guard and other matters related to the physical security of the housing residents;
 - (e) Effective management-tenant relations, including tenant participation in all aspects of housing administration, management, and maintenance;
 - (f) Physical improvements of the housing, including buildings, recreational and community facilities, safety measures, and removal of code violations;
 - (g) Advisory services for tenants in the creation of tenant organizations which will assume a meaningful and responsible role in the planning and carrying out of housing affairs; and
 - (h) Procedures whereby tenants, either individually or in a group, may be given a hearing on questions relating to management policies and practices, either in general or in relation to an individual or family.

Section 2. Whereas, no appropriation is required to change the income limits for Kentucky Housing Corporation loans and Kentucky Housing Corporation has loan funds available to immediately begin serving the additional households affected by the income limit change, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor or upon its otherwise becoming law.

Approved March 15, 2002