

KENTUCKY HOUSING CORPORATION
(Amended at ARRS Committee)

202 KAR 2:020. Rural Housing Trust Fund.

RELATES TO: KRS 198A.740 – 198A.750

STATUTORY AUTHORITY: KRS 198A.744, 198A.746(5), 198A.748(5)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 198A.744 authorizes Kentucky Housing Corporation to administer the Rural Housing Trust Fund by providing loans or grants for eligible activities, as established in KRS 198A.746, to create new sources of funding or to supplement existing sources of funding for the development of housing for moderate-income individuals or families in rural areas. KRS 198A.746 authorizes Kentucky Housing Corporation to define relocation costs to be paid if the development of rural housing displaces moderate-income individuals or families. This administrative regulation establishes additional criteria to qualify for the loans and grants and establishes the procedures to be followed in paying relocation costs.

Section 1. Qualification Criteria.

- (1) Applications shall be prioritized based on the priorities established in KRS 198A.748(6).
- (2) Single-family project applications shall be competitively ranked based on the following criteria:
 - (a) Willingness to serve those in the most impacted and distressed disaster counties;
 - (b) Readiness to proceed;
 - (c) Number of units to be addressed by the project;
 - (d) Demonstrated experience in development or repair of housing;
 - (e) Projects to house disaster survivors still living in shelters, doubled up with family, or in another unsustainable housing situation;
 - (f) Established relationships and mechanisms to ensure a pipeline of moderate-income homebuyer referrals;
 - (g) Demonstrated expansion of capacity to develop at scale; and
 - (h) Demonstrated financial capacity to carry out larger-scale housing projects.
- (3) Multifamily project applications shall be competitively ranked based on the following criteria:
 - (a) Willingness to serve those in the most impacted and distressed western Kentucky disaster counties;
 - (b) Readiness to proceed;
 - (c) Experience in development of multifamily housing utilizing Kentucky Housing Corporation financing resources;
 - (d) Demonstrated financial capacity to carry out larger-scale housing projects; and
 - (e) Projects awarded under the Kentucky Housing Corporation tax exempt bond notice of funding availability in accordance with the terms of the notice of funding availability.
- (4) Approval of applications shall be based on the numerical ranking received and the availability of funds.

Section 2. Relocation Costs. In the development of rural housing under the Rural Housing Trust Fund, displacement of moderate-income individuals or families shall not be permitted unless the project pays all reasonable relocation costs. Reasonable relocation costs shall be determined on a case-by-case basis based on the following criteria:

- (1) Provision of relocation advisory services to displaced tenants and owner occupants;
- (2) Provision of a minimum of ninety (90) days written notice to vacate prior to requiring possession;

(3) Reimbursement for moving expenses; and

(4) Provision of payments for the added cost of renting or purchasing comparable replacement housing.

(50 Ky.R. 529, 1066; eff. 1-30-2024.)

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