

198A.746 Uses of fund -- Organizations eligible for funding -- Discrimination prohibited -- Annual report.

- (1)
 - (a) The corporation shall use moneys from the rural housing trust fund created in KRS 198A.744 to make, or participate in the making of, loans or grants for the eligible activities described in this section.
 - (b) Any loan or grant shall be made upon the determination by the corporation that the loan or grant shall be used to create new sources of funding, or to supplement existing sources of funding for eligible activities, and shall not be used to replace existing or available moneys.
- (2) Activities eligible for funding shall include:
 - (a) Acquisition of housing units for the purpose of preservation of or conversion to rural housing units;
 - (b) New construction or rehabilitation of rural housing units;
 - (c) Matching funds for technical assistance directly related to providing rural housing for individuals under KRS 198A.740 to 198.750; and
 - (d) Administrative costs for rural housing assistance programs or organizations eligible for funding under subsection (3) of this section, if the loans or grants will substantially increase the recipient's access to housing funds other than those available under KRS 198A.740 to 198A.750.
- (3) Organizations eligible for funding from the rural housing trust fund include:
 - (a) Local governments;
 - (b) Local government housing authorities;
 - (c) Nonprofit organizations;
 - (d) Regional or statewide housing assistance organizations; and
 - (e) Business organizations that undertake the new construction or rehabilitation of rural housing units for moderate income individuals.
- (4) Housing units provided to moderate income individuals or families under KRS 198A.740 to 198A.750 shall be deed restricted under the following conditions:
 - (a) Rental housing shall be deed restricted for a minimum of thirty (30) years. Investment from the rural housing trust fund into a specific housing type shall revert to like housing for moderate income individuals; and
 - (b) Single-family units or units for sale shall be deed restricted for a minimum of ten (10) years.

The corporation may grant amendments to deed restrictions on a case-by-case basis.
- (5) In the development of rural housing under KRS 198A.740 to 198A.750, displacement of moderate income individuals or families shall not be permitted unless the project pays all reasonable relocation costs as defined by the corporation in administrative regulations promulgated under KRS Chapter 13A.
- (6) Discrimination in the sale or rental of, or otherwise making available or denying, a dwelling funded under KRS 198A.740 to 198A.750 to any buyer or renter because of race, religion, sex, familial status, disability, or national origin is prohibited.
- (7)
 - (a) Moneys in the trust fund shall be contributed permanently to a rural project,

except when serving as a match for federal housing programs that require all funds to be contributed permanently to the federal program.

- (b) All repayment, interest, or other return on the investment of trust fund moneys are required to be returned to the trust fund and used for eligible trust fund activities in accordance with KRS 198A.740 to 198A.750.
 - (c) Trust fund moneys invested in a rural project with federal dollars requiring a permanent contribution shall be recaptured to the federal program account.
- (8) Beginning on or before October 1, 2024, and on or before each October 1 thereafter, the corporation shall submit a report to the Legislative Research Commission on the disposition of the rural housing trust fund moneys for the previous fiscal year.

Effective: March 24, 2023

History: Created 2023 Ky. Acts ch. 92, sec. 32, effective March 24, 2023.