

1 AN ACT relating to affordable housing developed on property owned by religious  
2 institutions.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO  
5 READ AS FOLLOWS:

6 *(1) For purposes of this section unless context otherwise requires:*

7 *(a) "Affordable housing development" means a proposed or existing structure,*  
8 *or group of structures, in which all single-family or multifamily residential*  
9 *dwelling units within the development are set aside for or are occupied by*  
10 *low-income households at a rent amount that does not exceed thirty percent*  
11 *(30%) of the income limit for the low-income housing unit;*

12 *(b) "Low-income household" means a single person, family, or unrelated*  
13 *persons living together whose adjusted income is less than eighty percent*  
14 *(80%) of the median family income, adjusted for household size, for the*  
15 *area where the affordable housing development is located as set out by the*  
16 *United States Department of Housing and Urban Development;*

17 *(c) "Religious developer" means a religious institution or any property*  
18 *developer working contractually on behalf of a religious institution, but*  
19 *shall not include any developer that owes outstanding amounts to the local*  
20 *government as the result of fines resulting from ordinance violations, has*  
21 *an active lien placed by the local government on property owned by the*  
22 *institution, or is actively committing any ordinance violation; and*

23 *(d) "Religious institution" means a bona fide church, religious denomination,*  
24 *or religious organization, determined by the Internal Revenue Service to be*  
25 *tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.*

26 *(2) In an area that has adopted zoning regulations, an affordable housing*  
27 *development that is developed by a religious developer shall be permitted in all*

1 zones that allow for residential use and shall be subject only to a ministerial  
2 review by a planning unit for compliance with this subsection and subsection (3)  
3 of this section, if the following conditions are met:

4 (a) The development is located on property owned by a religious institution  
5 beginning from a date at least two (2) years prior to the time of application  
6 to the planning unit, and then throughout the duration of the obligation in  
7 paragraph (c) of this subsection;

8 (b) The development exclusively contains affordable housing units for low-  
9 income households. This requirement shall not apply to dwellings  
10 associated with the primary use of the religious institution;

11 (c) The obligation to provide dwelling units meeting the requirements of this  
12 section shall last for a period of ten (10) years from the date of the  
13 certificate of occupancy or, if a certificate of occupancy is not required,  
14 from the date of the final building permit inspection. This obligation shall  
15 be recorded in a legally binding agreement or deed restriction, and a report  
16 shall be submitted annually to the certifying planning unit that the  
17 requirements of this section are met for the property;

18 (d) The development contains twenty-five (25) or fewer units;

19 (e) The development would not lead to more than twenty-five (25) affordable  
20 housing units being located on that parcel, any contiguous parcel owned by  
21 the religious institution, or cumulatively on parcels owned by the religious  
22 institution within one-half (1/2) mile of the development; and

23 (f) The religious developer has obtained all other permits, including building  
24 permits, as required by law.

25 (3) (a) If the zoning regulations adopted in the jurisdiction where an affordable  
26 housing development established pursuant to this section include design  
27 requirements such as size, width, height, and location of structures for

1           residential developments, the affordable housing development shall comply  
2           with those design requirements.

3           (b) Notwithstanding paragraph (a) of this subsection, the religious developer  
4           may apply for a variance from one (1) or more of those design requirements  
5           from the planning unit. The planning unit shall be empowered to hear and  
6           finally decide an application consistent with KRS 100.241 and 100.243.

7           (4) If an affordable housing development established pursuant to this section no  
8           longer meets the requirements in subsections (2) and (3) of this section, the  
9           property owner shall seek all approvals for the development from the planning  
10           unit that would be required for a developer that did not utilize the provisions of  
11           this section.

12           (5) A religious institution may propose an affordable housing development that does  
13           not meet the requirements in subsection (2)(e) of this section, but otherwise meets  
14           the requirements in subsections (2) and (3) of this section. An affordable housing  
15           development proposed under this subsection shall require a public meeting, with  
16           final approval by the planning commission.

17           (6) The Kentucky Housing Corporation may provide technical and advisory  
18           resources to a religious developer to assist with the development and management  
19           of an affordable housing development under this section.