

1 AN ACT relating to affordable housing.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO  
4 READ AS FOLLOWS:

5 (1) (a) There is hereby established in the State Treasury a revolving account to be  
6 known as the abandoned home pool fund. The fund shall consist of moneys  
7 received from state appropriations, gifts, grants, federal funds, and all  
8 repayment, interest, or other return on the investment of fund dollars as  
9 required by this section.

10 (b) The fund shall be administered by the corporation.

11 (c) Moneys in the fund shall be used for the purposes set forth in this section.

12 (d) All repayment, interest, or other return on the investment of fund moneys  
13 are required to be returned to the fund and used for eligible activities in  
14 accordance with this section.

15 (e) Notwithstanding KRS 45.229, any moneys remaining in the fund at the  
16 close of the fiscal year shall not lapse but shall be carried forward into the  
17 next fiscal year.

18 (2) Eligible activities that may receive funding under this section shall include the  
19 purchase and improvement of vacant and abandoned homes in the  
20 Commonwealth.

21 (3) Eligible entities that may receive funding include a:

22 (a) Unit of local government; and

23 (b) Local government housing authority.

24 (4) Residential housing units purchased, improved, or provided under this section  
25 shall be deed restricted for a minimum of twenty (20) years as follows:

26 (a) The corporation shall have right of first refusal to purchase any property  
27 provided under this section;

- 1        (b) All units shall maintain the same demographic restrictions on residents as  
2        may be required under this section for initial selection; and
- 3        (c) Amendments to deed restrictions may be granted by the corporation on a  
4        case-by-case basis.
- 5        (5) No more than seventy-five percent (75%) of a particular eligible activity shall be  
6        funded under this section. The remaining twenty-five percent (25%) shall be  
7        financed by the eligible entity.
- 8        (6) The purchase or improvement of vacant and abandoned homes shall be  
9        prioritized in areas where fewer than twenty-five percent (25%) of existing homes  
10       are currently vacant and abandoned.
- 11       (7) Once a vacant and abandoned home has been purchased and improved by an  
12       eligible entity under this section, the entity shall:
- 13       (a) Calculate the entire cost of the purchase and improvement of the home; and  
14       (b) Rent the location to an individual or family with an income equal to or less  
15       than eighty percent (80%) of the area median income. Rent shall be due  
16       monthly and the rent amount shall be the lesser of:
- 17       1. The entire cost of the purchase and improvement of the home divided  
18       into one hundred eighty (180) equal payments that include an interest  
19       rate no higher than three percent (3%); or
- 20       2. Thirty percent (30%) of the individual's or family's income.
- 21       (8) Once the individual or family has made one hundred eighty (180) monthly  
22       payments, the entity shall transfer title to the property to the individual or family.
- 23       (9) Rent payments made to an eligible entity under this section shall be distributed  
24       pro rata between the eligible entity and the fund, based upon the portion of the  
25       activity cost initially financed by the eligible entity and the funded amount in  
26       accordance with subsection (5) of this section.
- 27       (10) If an individual or family chooses to leave or is evicted from a home rented under

1 this section, they shall receive:

2 (a) Twenty percent (20%) of the money paid by the individual or family in rent  
3 if they have made more than twelve (12) monthly payments;

4 (b) Thirty percent (30%) of the money paid by the individual or family in rent if  
5 they have made more than thirty-six (36) monthly payments;

6 (c) Forty percent (40%) of the money paid by the individual or family in rent if  
7 they have made more than sixty (60) monthly payments;

8 (d) Fifty percent (50%) of the money paid by the individual or family in rent if  
9 they have made more than eighty-four (84) monthly payments;

10 (e) Sixty percent (60%) of the money paid by the individual or family in rent if  
11 they have made more than one hundred eight (108) monthly payments;

12 (f) Seventy percent (70%) of the money paid by the individual or family in rent  
13 if they have made more than one hundred thirty-two (132) monthly  
14 payments; or

15 (g) Eighty percent (80%) of the money paid by the individual or family in rent if  
16 they have made more than one hundred fifty-six (156) monthly payments.

17 (11) Payments made under subsection (10) of this section shall be based upon the  
18 portion of the activity cost initially financed by the eligible entity and the funded  
19 amount in accordance with subsection (5) of this section.

20 (12) In the event an individual or family who is renting a home under this section is  
21 unable to make a monthly payment for more than ninety (90) days, the eligible  
22 entity shall institute an eviction action in compliance with applicable state and  
23 local laws and ordinances.

24 (13) The corporation shall:

25 (a) Issue a public notice to eligible entities of the availability of moneys from  
26 the fund at least twice each calendar year and provide a reasonable  
27 opportunity for the filing of applications;

- 1        (b) Approve or deny properly submitted and completed applications within  
2                ninety (90) days of their receipt;
- 3        (c) Approve as many applications as will effectively use available moneys in the  
4                fund; and
- 5        (d) Approve or deny applications by ranking the applications competitively  
6                using criteria established by the corporation through promulgation of an  
7                administrative regulation in accordance with KRS Chapter 13A.
- 8        (14) A person or entity shall not discriminate in the sale or rental, or otherwise  
9                making available or denying, a housing unit funded under this section to any  
10               buyer or renter because of race, religion, sex, familial status, disability, or  
11               national origin.