

KENTUCKY HOUSING CORPORATION
(Amendment)

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 a federally declared disaster area or displaced by an event triggering a federal disaster declaration within twenty-four (24) months of the event triggering the federal disaster declaration;
 - (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;
 - (h) Demonstrated financial capacity to carry out larger-scale housing projects;
 - (i) Creation of new housing supply;
 - (j) Location in rural areas with significant job growth;
 - (k) Location in counties shown to have a housing supply gap; or
 - (l) Projects awarded contributions from local government, a local employer, or a combination of local sources.
- (3) Multifamily project applications shall be competitively ranked based on the following criteria:
 - (a) Willingness to serve those in a federally declared disaster area or displaced by an event triggering a federal disaster declaration within twenty-four months of the event triggering the federal disaster declaration;
 - (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;
 - (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;
 - (f) Creation of new housing supply;

- (g) Location in rural areas with significant job growth;
 - (h) Location in counties shown to have a housing supply gap; or
 - (i) Projects awarded contributions from local government, a local employer, or a combination of local sources.
- (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; 51 Ky.R. 538; eff. 3-4-2025.)

WINSTON E. MILLER, Executive Director

APPROVED BY AGENCY: August 1, 2024

FILED WITH LRC: August 6, 2024 at 2:40 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall, if requested, be held on October 21, 2024 at 1:00 p.m. at Kentucky Housing Corporation, 1231 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until 11:59 p.m. on October 31, 2024. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Samuel Thorner, General Counsel, Kentucky Housing Corporation, 1231 Louisville Road, Frankfort, Kentucky 40601; phone (502) 564-7630, fax (502) 564-7322; email sthorner@kyhousing.org.