



Kentucky

Low Income Housing Preservation in 2010

Low Income Housing Tax Credits (9% Tax Credits)

In the 2011-2012 QAP, 10 points are awarded for projects that rehabilitate existing rental units in order to preserve the rental stock (minor rehabilitation such as cosmetic updates is not applicable). Substantial building rehabilitation of at least \$20,000 per low-income unit or 20% of adjusted basis, which is greater, is required.

Housing credit in the amount of approximately \$750,000 is reserved for projects that have a pending application submitted to RD for the 515 or 538 programs or to HUD for the 202 or 811 programs to receive funds. This set-aside is for projects financed by RD or HUD for new construction or for projects in need of rehabilitation or order to preserve affordable rental unit.

5 points will be awarded to proposals submitting an existing unsubsidized project which has rents at or below the affordable rent level.

Allocations (2003-2009)

Properties Preserved: 46

Apartments Preserved: 1,960

Additional Info: In 2009, Kentucky allocated 65% of its 9% tax credits towards preservation projects.

Private Activity Bonds with 4% Tax Credits

Allocations (2003-2009)

Properties Preserved: 7

Apartments Preserved: 926

Additional Info: In 2007 and 2009, Kentucky allocated 100% of its 4% tax credits towards preservation. In 2008, however, no 4% tax credits were allocated towards preservation projects.

Housing Trust Funds

The Affordable Housing Trust Fund was established by the Kentucky State Legislature in 1992 to provide housing for very low-income Kentuckians. The fund is administered by the Kentucky Housing Corporation and is funded through the general fund and document recording fees. The fund provides matching funds for non-KHC federal housing dollars requiring a state or local match, acquisition, rehabilitation and/or new construction of very low-income housing units, matching funds for technical assistance directly related to creating a housing project, and administrative costs for eligible applicants (up to 5 percent of each project). Since 1994, AHTF has leveraged more than \$234 million in other funds, loaned nearly \$10 million, and granted over \$56 million to create more than 8,273 units of affordable housing consisting of 2,781 rental units and 5,492 single-family homes. One-half of AHTF dollars go toward housing for families who earn less than 50 percent of the area median income.

PLEASE NOTE: *Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).*

Other Preservation Incentives

Kentucky's Non-profit Housing Production and Repair Program provides very low-interest rate loans for the production and repair of low-income housing. Funding recipients receive 100 percent of the allocation as a loan with one percent interest. Activities can include minor and/or emergency repairs, down payment assistance, closing costs assistance, acquisition of housing units and major rehabilitation. Of the number of persons assisted, 60 percent must be at or below 60 percent of the area median income. All persons served must be at or below 100 percent of the area median income.

Green Multifamily Preservation Initiatives

Green Incentives in State Tax Credit Allocation Plan

For 2011-2012, points can be awarded for using Energy Star equipment/appliances and by using green construction. In order to earn up to 15 points under the energy star category projects must demonstrate the utilization of two of the following: energy star rated heating and cooling products, energy star rated windows and 3 or more of the following Energy Star qualified appliances: clothes washer, dishwasher, refrigerator, freezer, hot water heater, or range hood. All Energy Star qualified ceiling fans, light fixtures, and ventilation fans. By meeting all 4 options, projects qualify for increased scoring (up to 25 points). To be awarded points in the green construction section projects must include at least 6 of the 27 given LEED criteria. Some examples of the LEED criteria given are: projects must be located within 1/4 mile of one or more stops for 2 or more public or campus bus lines useable by building occupants, install compact or florescent light bulbs throughout the project, install a vegetated roof for at least 50% of the roof area, utilize rapidly renewable floor materials, and install tankless water heaters.

Rehabilitation projects are encouraged to incorporate KHC's Universal Design Standards when it is feasible.

Other Green Incentives Relevant to Preservation

Incentives include the TVA Green Power Switch Generation Partners Program, tax credits for energy efficiency or renewable energy use, loans for solar water heaters and energy efficient home improvements, a sales tax exemption for large scale renewable energy projects, and utility rebate programs.

For additional information on green initiatives, visit www.aceee.org for more on policies related to energy efficiency or www.dsireusa.org for programs that may be available to developers to incentivize renewable energy or energy efficiency.

Sustainable Communities & Transit-Oriented Development Incentives

The 2011 - 12 QAP states that projects developed in a qualified census tract, a difficult to develop area, or contributing to a community revitalization plan will be given consideration in maximizing outcomes pool. However, no points are awarded for locating in these areas.

One points is available for "close proximity to public transportation," which constitutes a unique marketable attribute.