

Introduction

The [findings](#) of the interim Legislative Housing Task Force, as well as the Housing Gap Analysis [conducted](#) by Kentucky Housing Corporation, have underscored what nonprofit housing practitioners already knew: that Kentucky is facing a significant and growing housing crisis. Although the 2025 session is a short (non-budgetary) session, several opportunities exist for the Legislature to get to work on supplementing disaster recovery efforts, protecting Kentucky tenants, and addressing the Commonwealth's shortage of over 206,000 homes.

Our Priorities

Modernize the Affordable Housing Trust Fund

- Triple the mortgage recording fee that is the sole revenue source for the Affordable Housing Trust Fund (currently \$6).
- Include CFE-certified financial counseling and HUD-certified housing counseling services under eligible uses for the AHTF.

Make the Rural Housing Trust Fund recurring, and restore priority for counties recovering from major natural disasters

- The rebuild process in flood-impacted Eastern KY counties is only now beginning in earnest, while federal recovery funds have left a shortfall of approximately \$95 million.
- The decision by the RHTF Advisory Committee to open the RHTF to non-disaster counties is premature and harmful to the recovery efforts in Eastern KY as well as in tornado-impacted Western KY.
- The Legislature should reaffirm the RHTF's original disaster-recovery focus.
- In the 2026 budget session, the Legislature should make the RHTF a recurring funding stream.

State Low-Income Housing Tax Credit

- While a bill is not anticipated this year, we shall continue to educate Legislators on this crucial tool that 32 states and D.C. have already adopted in order to drive further investment in affordable housing development.

Enact common-sense tenant protections

- Prohibition on electric and gas shutoffs during extreme weather
- Pathway for expungement of evictions