

## 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 (HB 411)**

- Scale the trust fund by increasing the county clerk deed and mortgage recording and indexing fee
- Support the proposed \$150M in one time funding to capitalize the Trust Fund

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

- While the rebuild process in flood-impacted Eastern KY counties is
- federal recovery funds have left a shortfall of approximately \$95 million.
- As of December 2025, RHTF has helped deliver 115 new homes and 478 rehabs, and allowed nonprofits to increase their construction capacity knowing that funds were available to build each year.
- In the 2026 budget session, the Legislature should make the RHTF a recurring funding stream for at least 2 years at \$20 million a year.

### **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.

### **Yes in God's Backyard (HB333) & Eviction Expungement (HB338)**

- Allow churches to build up to 23 units of housing on their land
- Expunge court records of eviction proceedings that were dismissed, and prevent children from being named in eviction court orders.

