

2024 State Advocacy Agenda

The Homeless and Housing Coalition of Kentucky (HHCK) advocates for policies that will expand access to home and housing affordability, increase our housing supply, and provide renter protections. We oppose policies that criminalize homelessness, preempt local governments from creating local renter protections, and create barriers to Kentuckians' ability to secure and maintain a place to call home.

Top Solutions for the General Assembly

1. Invest \$200M in Housing and Shelter

Over the last two years, Kentucky has been hit by two massive natural disasters: the West Kentucky tornados and the flash flooding impacting Eastern Kentucky in both 2021 and 2022. Each event has revealed the unique challenges in rebuilding from devastation and reinforced the need to stabilize our housing stock across the Commonwealth.

- Build on the legislature's disaster housing recovery efforts with an appropriation for the Rural Housing Trust Fund.
- Invest in the statewide Affordable Housing Trust Fund (AHTF) to address growing housing shortages in small cities, rural counties, and our urban areas.
- Reduce unsheltered homelessness in Louisville by providing funding for expanded shelter and permanent supportive housing initiatives.
- Provide one-time investments in the Lexington and Louisville Affordable Housing Trust Funds.
- Increase the \$6 per real estate transaction deed transfer fee designated for the AHTF to \$18 to stabilize the fund moving forward.

2. Access: Free Birth Certificates for People Experiencing Homelessness

In 2019, the General Assembly passed [HB 378](#), which allowed for homeless Kentucky children and youth under 25 to obtain a birth certificate at no charge. Under this law, homeless service staff can apply for a birth certificate for their youth and child clients born in Kentucky through a process outlined by the [Office of Vital Statistics](#). Birth certificates are critical to establishing identity and applying for housing. With the successful implementation of HB 378, we seek to expand this provision to homeless adults born in Kentucky who need a birth certificate to reestablish their identity and begin to secure housing, employment, and other supports.

3. Renter Protections: Eviction Expungement

A household facing an eviction filing lives with the consequences of a 2-minute court decision for the rest of their lives.

- 41,000 evictions were filed against Kentucky households in 2019
- 41% of those filings were dismissed, but the record still shows all of them with evictions on their record, which leads to fewer choices and more expensive housing and instability in our communities and workplaces.

Legislation to solve this issue would provide that evictions are automatically expunged after 3 years, eviction dismissals roll off the record automatically after 60 days, and that minors living in the household could not be named in filings. Record expungement has broad bipartisan support, and Indiana and Utah have already passed similar measures, while 17 other states are considering eviction expungement.

4. Housing Task Force

With the challenges across the housing landscape, we urge the legislature to adopt a resolution to create a comprehensive Housing Task Force to hear testimony and adopt recommendations for future legislation to address our housing crisis.

The Housing Crisis in Kentucky

- Kentucky is short [89,000 affordable homes](#) to rent
- About [4,000 Kentuckians](#) experience homelessness on a given night in January each year, and the number of homeless has been increasing since 2021
- The average wage to affordably rent a 2 BR home: [\\$17.90/hour](#)
- 1 in 4 Kentuckians are paying more than 30% of their income toward housing, including those who [have a mortgage](#), and 6 out of 10 extremely low income [renters](#) are paying more than 50%
- From long standing racist practices in the public and private housing sectors, Black and Brown Kentuckians continue to experience barriers to affordable homes in places of their choice, resulting in a 38.2% [Black homeownership rate](#) in the context of a 71.4% [overall state homeownership rate](#)
- Kentucky has [\\$23 million in unmet housing needs](#) from the 2021 tornados after federal funds have been implemented
- From the Eastern Kentucky floods in 2022, we have a conservative estimate of [\\$71 million in unmet housing needs](#) from the Department of Local Government after remaining federal dollars have been allocated

Legislative Recommendations:

Supply - eliminate the housing shortage

- **Invest \$200M in Housing and Shelter**

Over the last two years, Kentucky has been hit by two massive natural disasters: the West Kentucky tornados and the flash flooding impacting Eastern Kentucky in both 2021 and 2022. Each of these events has revealed the unique challenges in rebuilding from devastation and reinforced the need to stabilize our housing stock across the Commonwealth.

- Build on the legislature's disaster housing recovery efforts through appropriating \$70 million in the Rural Housing Trust Fund for single- and multi-family development and repair.
- Appropriate \$40 million in the statewide Affordable Housing Trust Fund (AHTF) to address growing housing shortages in small cities, rural counties, and our urban areas.
- Reduce unsheltered homelessness in Louisville by providing funding for expanded shelter and permanent supportive housing initiatives.
- Invest \$70 million in the Lexington and Louisville Affordable Housing Trust Funds.
- Increase the \$6 per real estate transaction deed transfer fee designated for the AHTF to \$18 to stabilize the fund moving forward.

Kentucky's Affordable Housing Trust Fund was established in 1992, with the last update to the legislation adopting a permanent funding source of \$6 per real estate transaction in 2007. This has generated approximately \$3-6M annually, with declining receipts based on low housing inventory as well as, project applications exceeding the amount of funding available each year - which leave Kentuckians and communities unserved. We propose increasing the fee to \$18 per real estate transaction by amending [KRS 64.012](#), Fees of County Clerks.

- **State Housing Tax Credit**

Kentucky can join 20 other states in establishing a [workforce housing tax credit](#) and almost double the number of housing units produced per year. Studies show that the tax credit will pay for itself and bring revenue to the state. Additional housing spending and apartment operations would create nearly \$20.4 million in ongoing annual tax revenue each year at stabilized occupancy. Construction of 6,559 new affordable housing units would generate

an estimated \$178.7 million in tax revenues for state and local governments. It will also create approximately 3,539 jobs each year of the program.

- **Short Term Rental Usage Fee**

With the growth of the short-term rental market through companies like AirBnB or VRBO, HHCK is concerned about long-term impacts to the housing market and loss of permanent rental homes. To that end, we propose that short term rentals pay their fair share by being assessed equitable transient taxes, and that a portion of those taxes be remitted to fund the state AHTF to address the housing shortage.

- **Zoning Reform**

While zoning has traditionally been a local issue, state governments can provide a role using legislation encouraging cities and counties to adopt inclusionary zoning practices to correct past practices, deconcentrate poverty, and allow residents to live in neighborhoods of their choice. Researcher Jenny Schuetz writes for the [Brookings Institution](#): “[P]oorly functioning housing markets impose economic, social, and environmental costs that extend well beyond any one locality’s boundaries. State-level regulation could correct some of the collective action problems and perverse fiscal incentives associated with local control. State governments already have a variety of legal and fiscal tools available to encourage local housing production—in clear contrast to the federal government. Four broad goals can guide state actions:

- 1) assess market conditions and needs
- 2) support well-functioning housing markets
- 3) provide financial support to low-income households, and
- 4) reduce climate risk.”

We support legislation that would direct cities and counties to develop local plans to consider housing supply, similar to legislation proposed in [Mississippi](#) or passed in [Nebraska](#).

Access - expand housing access and affordability for low-income Kentuckians

- **Free birth certificates for Kentuckians experiencing homelessness**

In 2019, the General Assembly passed [HB 378](#), which allowed for homeless Kentucky children and youth under 25 to obtain a birth certificate at no charge. Under this law, homeless service staff in community-based organizations such as shelters and McKinney-Vento liaisons at school districts can apply for a birth certificate for their youth and child clients born in Kentucky through a process outlined by the [Office of Vital Statistics](#). Birth certificates, like other forms of identification, are critical to establishing identity and applying for housing. With the successful implementation of HB 378, we seek to expand this provision to homeless adults born in Kentucky who need a birth certificate to reestablish their identity and begin to secure housing, employment, and other supports.

- **Household subsidies for housing affordability**

The 2023 Regular Session included proposals to create a [refundable home repair credit](#) for Kentuckians 65+ aging in place and/or people with disabilities, as well as a [renters credit](#) of up to \$1000 per year. We support policies that allow Kentuckians to increase the accessibility and affordability of their homes.

- **Property in heirship**

From the [Uniform Law Commission](#): The Uniform Partition of Heirs Property Act (UPHPA) helps preserve family wealth passed to the next generation in the form of real property. If a landowner dies intestate, the real estate

passes to the landowner's heirs as tenants-in-common under state law. Tenants-in-common are vulnerable because any individual tenant can force a partition. Too often, real estate speculators acquire a small share of heirs' property in order to file a partition action and force a sale. Using this tactic, an investor can acquire the entire parcel for a price well below its fair market value and deplete a family's inherited wealth in the process. UHPA provides a series of simple due process protections: notice, appraisal, right of first refusal, and if the other co-tenants choose not to exercise their right and a sale is required, a commercially reasonable sale supervised by the court to ensure all parties receive their fair share of the proceeds.

In Kentucky, this has a disproportionate impact on Black communities and our rural areas, especially in Appalachian areas. Kentucky should follow the lead of other states, like Missouri, Virginia, Mississippi, Georgia, and Florida, and enact this solution.

- **Ending Veteran Homelessness**

When the federal government appropriately scaled funding to end homelessness among veterans, the nation saw a significant reduction in veteran homelessness, up until 2016. We support legislation that creates a new section of KRS Chapter 40 to direct the Kentucky Department of Veterans' Affairs to [end veteran homelessness](#) using a Housing First approach. We also support supply side solutions that create housing and services for all populations experiencing homelessness.

- **Unemployment Insurance eligibility for people experiencing domestic violence**

According to the [U.S. Department of Housing and Urban Development](#), "Persons experiencing domestic violence, particularly women and children with limited economic resources, are at increased vulnerability to homelessness." A critical piece of preventing homelessness at the crisis point is uninterrupted income to seek and secure a new place to call home. This is where unemployment insurance can be the difference between experiencing homelessness and having a safe home.

Landlord/Tenant Legal Relationship - provide basic renter protections across the Commonwealth

- **Eviction Expungement**

An eviction record is a black mark that reduces opportunity for families to live and thrive in the communities of their choosing. From the [Center for American Progress](#): "Eviction records keep individuals and families locked in a cycle of poverty; force people to live in unsafe housing; and cause homelessness and a host of other collateral consequences. One common sense reform to help minimize the negative effects of eviction records is to increase access to and ease of eviction record sealing or expungement and to minimize public access to these records. Eviction record sealing, in combination with additional tenant protections and reforms, would greatly improve access to safe and affordable housing, especially for the people most often forced to the margins of society."

Legislation to solve this issue would provide that:

- Evictions are automatically expunged after 3 years
- Cases are shielded before a judgment is ordered
- Eviction dismissals roll off the record automatically after 60 days
- Minors living in the household could not be named in filings

Record expungement has broad bipartisan support, and Indiana and Utah have already passed similar measures, while 17 other states are considering eviction expungement. In 2023, bills were filed in both the Senate and the [House](#).

- **Source of Income Protections**

Housing voucher discrimination prolongs homelessness and limits participants' choice in where they want to live, undermining the purpose and promise of housing vouchers as a tool to bridge the gap between rents and monthly income. It also intersects with disability discrimination, as many voucher programs have requirements or preferences for people with disabling conditions. Since the 1980s, [20 states and countless cities](#) have adopted legislation to ban discrimination of voucher holders, including North Dakota, Oklahoma, Utah, and Virginia, as well as Louisville. A [statewide ban on Source of Income discrimination](#), would amend amend KRS 344.010 to define "source of income"; and amend KRS 344.360, 344.367, and 344.370 to forbid housing discrimination based on an individual's source of income.

- **RURLTA**

The Revised Uniform Residential Landlord and Tenant Act ([RURLTA](#)) is an updated version of the act, which was first promulgated in 1972 and adopted in 21 states. The purpose of the original act was to eliminate all elements of outmoded common law from the landlord-tenant relationship and base all phases of the rental agreement on contract law. RURLTA continues this approach and adds new articles covering the disposition of tenant property, security deposits, and lease termination in case of domestic violence or sexual assault.

Because Kentucky's adoption of the 1972 law has only been adopted by 20 cities and counties, the rights and responsibilities of landlord and tenant remain a messy patchwork leaving three-quarters of the Commonwealth stuck with statutes based in common law with no explicit warrant of habitability for residential rental property. [RS 23 HB 128](#) - RURLTA - seeks to remedy this inequity between rural and urban communities and provide Kentuckians a statutory guarantee that the home they rent will meet basic safety standards.

- **Tenant Opportunity to Purchase Act**

Over the past few years, we have seen consolidation in the rental market as property owners in our smaller cities have looked to sell properties. In places like Frankfort and Somerset, we have become aware of issues involving insufficient notice and no option to continue renting, or, if renters are allowed by the new management to stay, they face upwards of 30% monthly rent increases. In Frankfort, the [selling of a complex](#) to an out of state property management company resulted in inadequate building maintenance, leaving it susceptible to a fire that killed two residents. This has caused significant displacement and disruption in our communities. In response, we propose that renters be allowed the right of first refusal when landlords want to sell. This has been in place in DC since 1980 and has been proposed in Massachusetts and [New York](#).

- **Mobile Home Protections and Right to Purchase**

According to the Housing Assistance Council, 12.6% of housing units in Kentucky are mobile homes. One in 5 Kentuckians in rural communities live in mobile homes. Some may rent the unit itself, others may own it outright but rent the lot on which it sits. As demonstrated by the sale of the North Fork Mobile Home Park and subsequent displacement of residents in Morehead in the spring of 2021, Kentucky needs protections for mobile home residents, particularly in the case of mobile home park sales. Other predominantly rural states have successfully tackled this issue, as in:

“[New Hampshire](#)’s manufactured housing policies are often heralded as models for other states—its titling policy (which automatically titles all manufactured homes as real property) and its purchase opportunity law provide sound policy foundations to help families build wealth through their homes and achieve security of tenure in communities.” In [Minnesota](#), legislation has been proposed that would limit the amount of rent increases to 1 per year, as well as establish a process for creating a Manufactured Home Park Cooperative Purchase Program to address the right to purchase in the case of sale.

- **Right to Counsel for Evictions**

When facing an eviction, renters rarely have financial resources for an attorney to inform and advise them of their rights and legal defenses. When a home is at stake, it is imperative renters’ rights are upheld and defended in the courtroom - and that often takes an attorney. Other states, like [Maryland](#), have implemented the right to counsel in eviction cases. According to the [National Coalition for the Civil Right to Counsel](#), as few as 3% of tenants have representation in court, while landlords do around 81% of the time.

“Right-to-counsel programs are also significant money-saving tools for states, counties, and municipalities dealing with the secondary costs of homelessness. A 2020 analysis conducted in Baltimore found that an approximately \$5.7 million investment in a right-to-counsel program could reduce “the current cost of disruptive displacement caused by eviction or avoid costs related to disruptive displacement” by \$17.5 million each year,” writes Shelby R. King in [Shelterforce](#).

We recommend legislation that would authorize and fund the right to counsel in residential evictions, and use state funds to start the program while court and filing fees are adjusted to sustainably fund the program long-term. [Louisville Metro Government](#) authorized \$400,000 to start their program for families with children in 2021 and in 2023 expanded the target population to all renting households below 125% of the Federal Poverty Line, or \$34,687 for a family of 4.

- **Curb Law**

When a family is evicted, what happens to their belongings? Most of the time they end up on the street, leaving them exposed to weather damage and theft. Other states, including Indiana, have addressed this issue through legislation. The policy solution, such as [Regular Session 2023 House Bill 95](#), would provide that:

- If the property is worth more than \$500 the landlord shall store property in a storage unit or in the unit itself for 14 days.
- After 14 days the property will be declared abandoned and the landlord can dispose of the property.

- **Statewide Fairness**

Like the [Fairness Campaign](#), we believe that Kentuckians should never face housing discrimination for their sexual orientation, gender, and/or gender identity, and that we should follow the example of HUD-funded programs which promote equal access among LGBTQ2S+ persons. The statewide fairness bill drafts proposed over several years would amend KRS 344.360, 344.370, 344.380, and 344.680, relating to prohibited discrimination in certain housing, real estate, and other financial transactions, to include sexual orientation and gender identity.

- **Truth in Renting**

Tenant screening can often present multiple barriers to people living in places of their choice, even more so for people with a criminal record, which disproportionately affects Black and Brown Kentuckians. We need fair and transparent processes across the board, including limiting the number and amount of application fees, disclosing

screening or admission criteria with a process for dispute and appeal, and landlords should only accept applications and fees if there is a reasonable expectation that units will be available to rent.

Executive Branch Advocacy

- **Monitor Community Development Block Grant - Disaster Recovery (CDBG-DR) state plans**

With the catastrophic disasters occurring in 2021 and 2022, Kentucky has the opportunity to rebuild homes and communities using CDBG-DR funds appropriated by Congress. The responsibility for implementation at the state rests with the [Department for Local Government](#).

Western Kentucky Tornadoes + 2021 Flooding: The [2021 Action Plan](#) and [Substantial Amendment](#) have been approved by the U.S. Department for Housing and Urban Development (HUD) and are being implemented. \$87M has been allocated for housing production and rehabilitation, including multifamily and single family homes.

Eastern Kentucky Flooding in 2022: The [2022 Action Plan](#) has been drafted and submitted to HUD, where it awaits approval. Housing activities are expected to begin in the summer of 2024.

We will continue to monitor the federal approval process of the 2021 plan and work with partners to ensure that the 2022 plan allocates resources equitably among homeowners, renters, and people experiencing homelessness, in accordance with principles developed by the National Low Income Housing Coalition's [Disaster Housing Recovery Coalition](#).

- **IDs for People Experiencing Homelessness**

We continue to work with the Kentucky Transportation Cabinet to fully implement [RS 23 HB 21](#) and streamline the process social service agencies use to obtain ID on behalf of their clients. The provisions of HB 21 include:

- Changes process from letter to form - can start immediately but will be uniform by 2025
- Allows people who had drivers licenses before episode of homelessness to renew using the provider's address - effective 2025
- Allows 16-17 year olds experiencing homelessness to obtain a state-issued ID
- Reduces the fee from \$10 to \$5 for basic ID
- Allows homeless service providers to enter into billing arrangements with the Transportation Cabinet

- **Monitor RS 22 SJR 72: Respite to Residence, Supported Housing, and Severe Mental Illness Waiver**

Thanks to the General Assembly's passage of [Senate Joint Resolution 72](#), the Cabinet for Health and Family Services (CHFS) Department for Medicaid Services (DMS) is seeking flexibilities from the Centers for Medicare and Medicaid (CMS) to address the needs of Kentuckians with Severe Mental Illness. DMS has chosen to explore flexibilities using two separate processes.

Respite/Recuperative Care: DMS has applied for an [Amendment](#) to its existing 1115 Waiver, KY HEALTH. It is currently awaiting approval from CMS. The waiver should leverage Kentucky Medicaid to connect people experiencing homelessness and discharged with an acute condition to a skilled care facility, with the ultimate connection to permanent housing. Medical respite/recuperative care is acute and post-acute care for persons experiencing homelessness who are too ill or frail to recover from a physical illness or injury on the streets but are

not ill enough to be in a hospital (National Institute for Medical Respite Care). In 2019, the Kentucky Interagency Council on Homelessness and the Louisville Health Advisory Board independently identified this issue as critical, resulting in a new collaboration and resulting in a data request showing 11,000 discharges from hospitals into homelessness that year, with a 33% readmission rate within 30 days. Medicaid is the payer source for 67% of this population.

Supported Housing/Employment: DMS is in the process of drafting a 1915(i) State Plan Amendment (SPA) to address the housing and employment directives in SJR 72. We will be monitoring the development of this draft in 2024.

- **Monitor Medicaid Reimbursement of Community Health Worker Services**

With the passage of [House Bill 525 in 2022](#), we will continue to monitor the implementation of Medicaid billing for Certified Community Health Worker services, which we expect will further integration of positive housing and health outcomes for Kentuckians. Community Health Workers, especially when working outside of the clinical setting, can be a critical tool in helping people obtain and retain housing by providing wraparound supports.

- **SNAP Access**

According to the National Alliance to End Homelessness, “[f]or people experiencing homelessness, wondering where your next meal will come from is a daily challenge. While soup kitchens, churches, and food banks play an extremely important role in helping to reduce hunger, it is often not enough to ensure a basic diet. That is where the Supplemental Nutrition Assistance Program (SNAP), commonly known as food stamps, comes in. SNAP helps reduce hunger for millions of struggling Americans, including many who are homeless.” HHCK advocates for process improvements to expedite access and minimize any barriers to housing-insecure Kentuckians receiving food assistance to which they are entitled. Some of the barriers we seek to remedy include lack of in-person access to local offices, call center delays and malfunctions, and lack of clarity in documentation required. This will involve monitoring the potential negative impacts of 2022’s [House Bill 7](#) on people experiencing homelessness and housing insecurity and the potential positive impacts of the Congressional Debt Ceiling Agreement’s [exemption of work reporting requirements](#) for people experiencing homelessness.

Local Advocacy

HHCK stands ready to help local governments address the housing needs of low-income residents.

To that end, we are participating with the Kentucky League of Cities’ ongoing [initiatives](#) to educate city mayors, commissioners, council members, and professional staff. We also oppose any local ordinances that in effect criminalize homelessness or make it more difficult for nonprofit providers to operate.

As a statewide membership organization, HHCK works with its members to lift up the concerns and policy suggestions, which includes elevating those that need state action as well as local ordinances that need to be amplified and replicated in other communities.