

Attract, Partner, Build: A Community Guide to New Housing Development

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Kentucky Housing Corporation Housing Supply Accelerator

August 20, 2026

2024 Kentucky Housing Supply Gap

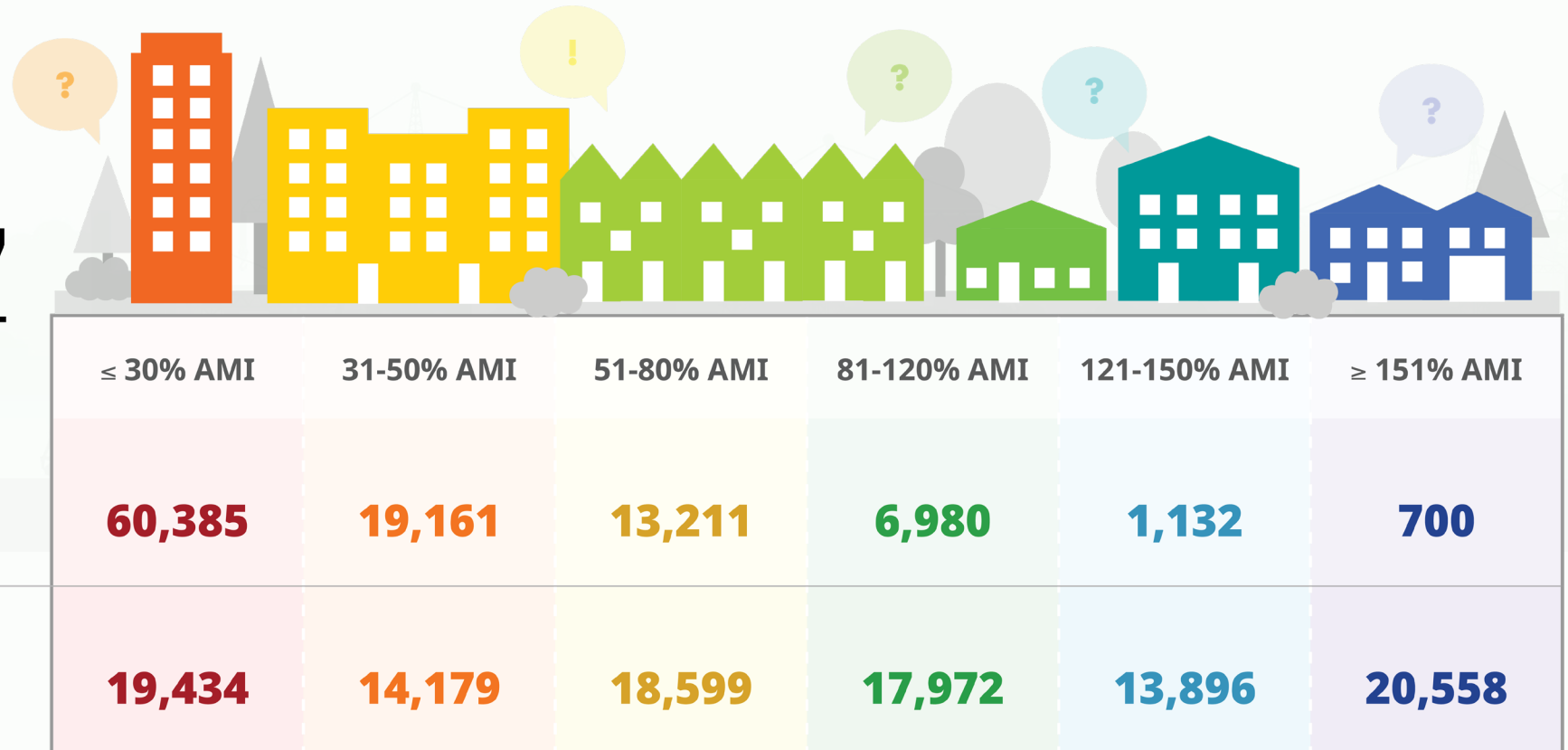
206,207
New Homes

101,569

Rental

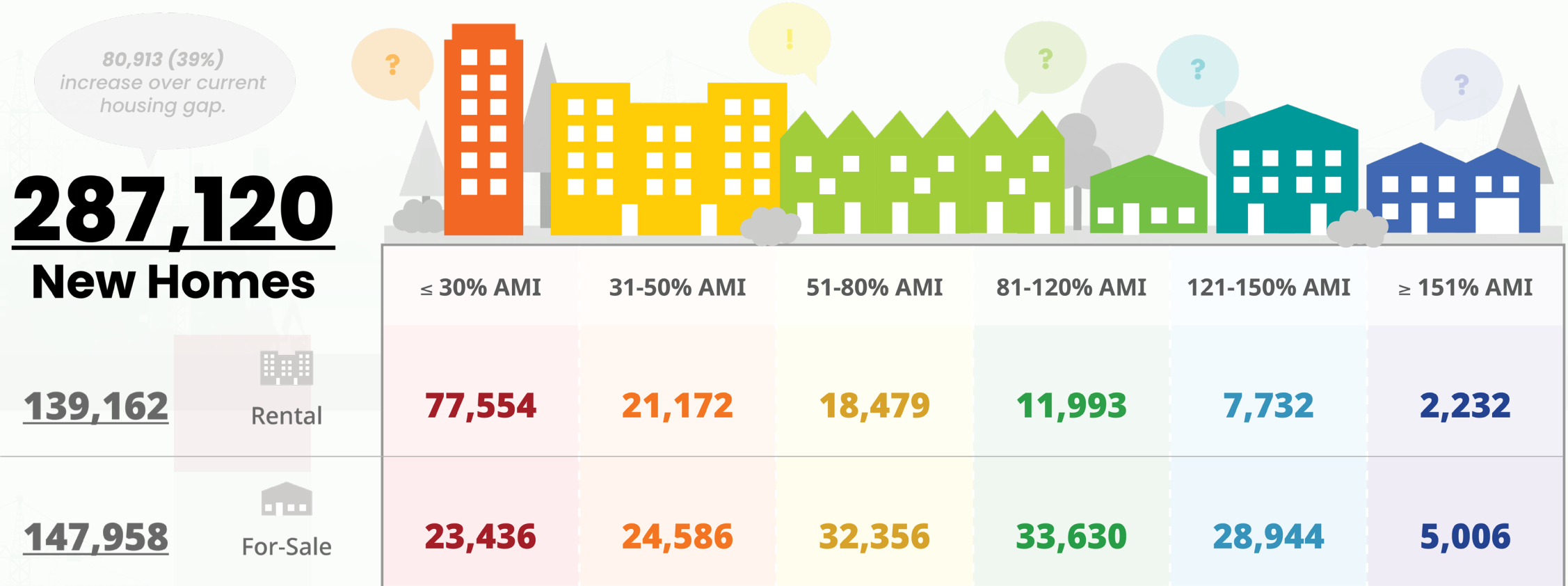
104,638

For-Sale



Current Housing Needs (2024) Broken Down By Area Median Income (AMI) Groups

2029 Projected Kentucky Housing Supply Gap



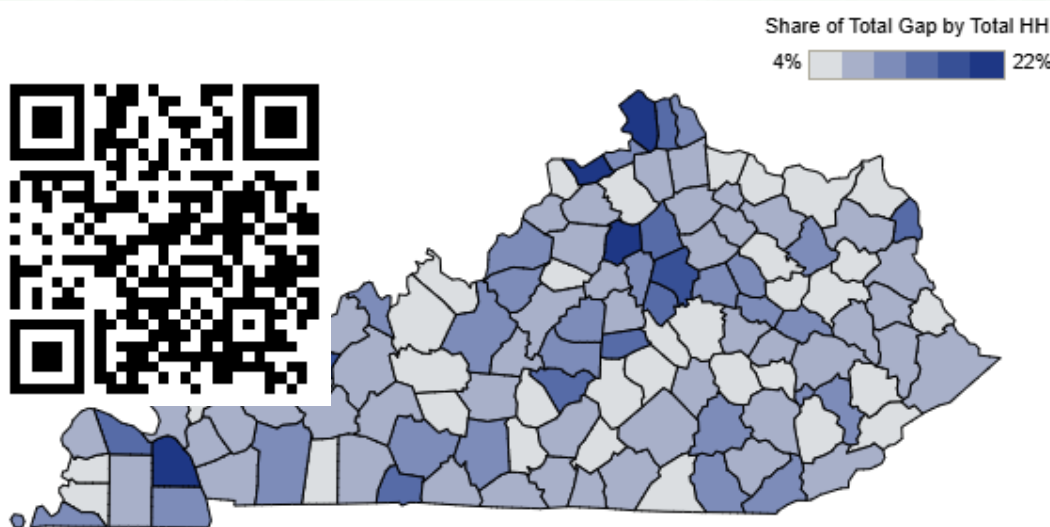
Future Housing Needs (2029) Broken Down By Area Median Income (AMI) Groups

How Big is the Gap In Your Community?

Access Your County's Gap Data

<https://www.kyhousing.org/page/housing-supply-gap>

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Presentation



Henderson County



2029 (Projected)

Henderson

Select Current (2024) or Projected (2029) and a county from the list or click on the map to see supply gap needs.

2029 (Projected) Housing Gap

**Total Housing
Units Needed**

2,667

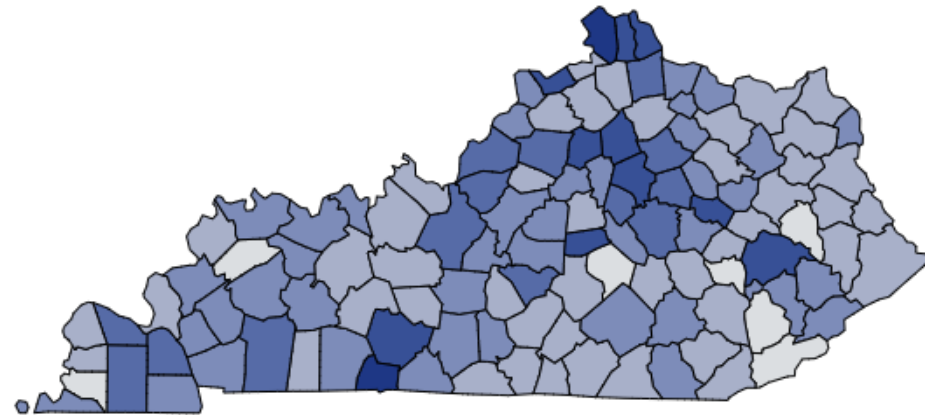
Total Rental Units Needed: 1,510

Total For-Sale Units Needed: 1,157



Share of Total Gap by Total HH

3% 28%



	<30% AMI	31% - 50% AMI	51% - 80% AMI	81% - 120% AMI	121% - 150% AMI	151%+ AMI
Rental Gap	826	250	108	155	171	0
For-Sale Gap	155	271	360	52	319	0

Rental Need (Henderson County) / Strategies

Projected Gap in 2029

- 30% AMI and Below – 826 units
- 31% - 50% AMI – 250 units
- 51% - 80% AMI – 108 units

Strategies

- Homeless Shelters
- Permanent Supportive Housing
- 9% LIHTC or 4% LIHTC/Bond Deal with KHC PILOT

HB 333: Yes in God's Back Yard (YIGBY)

Effective July 2026



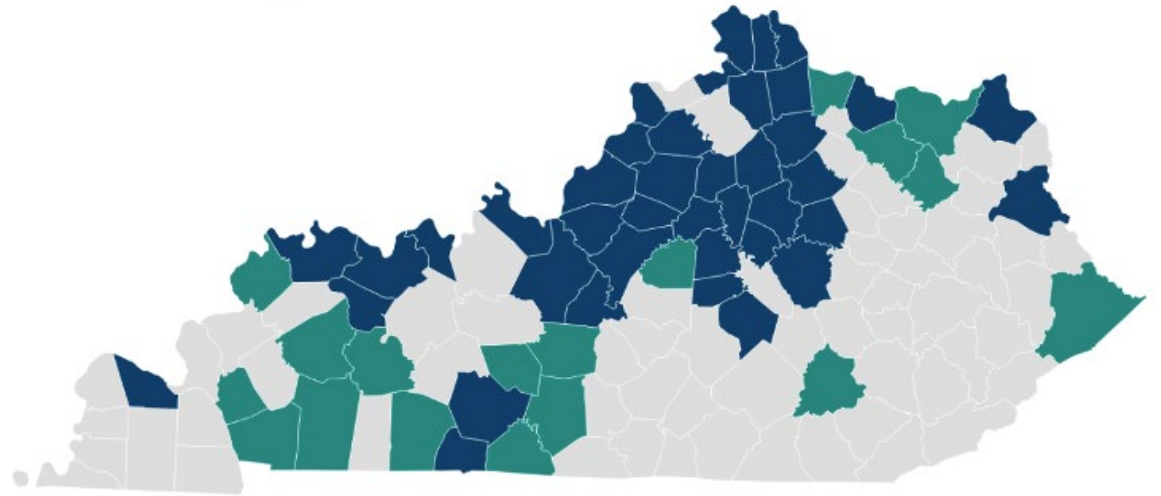
Ministerial Review Only

In counties that are subject to planning and zoning, development is not subject to permitting, review, or other regulations except for ministerial review by a planning unit for compliance.

- 58 counties have planning.
- 40 also have zoning.

County Planning and Zoning Adoption

■ Planning and Zoning ■ Planning Only



Religious Institutions May Develop:

- 24 units or less of affordable housing
 - One building
 - 2- to 4-plexes
 - Tiny Homes
- Homeless shelter



- Allow service providers to utilize underutilized space in church to assist residents

HB 333 Has a Catch: Ownership Requirements

- Religious institutions can't sell to a developer and benefit from HB 333.
- The religious institution must maintain ownership for 15 years after CO or date of final building permit inspection if CO is not required.

Workaround: Ground Lease

Protects Long-Term Ownership

- Allows church to keep ownership of the land while partnering with a developer who builds and operates the housing.
- Ensures property remains aligned with its mission.

Creates Stable, Predictable Income

- Typically provide reliable lease payments over 50-99 years.
- Becomes a steady revenue stream that can support ministry, building maintenance staffing, or outreach programs.

Kentucky Housing Corporation PILOT Program

Launching
January 2027



Payment In Lieu of Taxes (PILOT)

- New initiative designed to support the development of multifamily housing by reducing property tax burdens for eligible developments.
- KHC may acquire property for residential development, lease to eligible developers, and enter into PILOT agreements with local governments as outlined under KRS 198A.200.

PILOT Eligible Applicants

- For-profit and nonprofit entities
- Receive an award of 9% or 4% Low-Income Housing Tax Credits
- Add at least 48 new units of multifamily housing
- Be subject to an extended use agreement in favor of KHC

PILOT Program

- Developers participating in the program must:
 - Demonstrate site control,
 - Negotiate PILOT terms with all applicable local governments, and
 - Obtain the required written consents.
- A list of Questions & Answers are located on KHC's website www.kyhousing.org.

Example PILOT / Tax Abatement

- PILOT: For qualifying rental projects, County will consider a PILOT schedule reducing property taxes for up to [10] years with a phase-in schedule (e.g., 25% year 1, 50% year 2, 75% year 3, 100% thereafter), subject to approval by fiscal court and State approvals if required.

Homeownership Need (Henderson County) / Strategies

Projected Gap in 2029

- 51% - 80% AMI – 360 units
- 81% - 120% AMI – 52 units
- 121% - 150% AMI – 319 units

Strategies

- KHC Single-Family Shared Appreciation Mortgage (SAM)
- In-Fill Development w/Factory-Built Housing

KHC Single-Family Shared Appreciation Mortgage (SAM) Program



KHC Single-Family Shared Appreciation Mortgage (SAM) Program

- Innovative program that makes homeownership more attainable by lowering the required monthly mortgage payment via shared appreciation.
- There are only three Housing Finance Agencies in the country that offer a statewide SAM program.

How Does the SAM Program Work?

- KHC will finance up to 25% of the purchase price at 0% interest.
- The borrower makes no payment during the term of the SAM and instead will share 25% of the future appreciation with KHC at time of SAM repayment.
- KHC will recycle principal payments and appreciation into the SAM pool creating a revolving loan fund.

Program Details

Available funding of up to 25% of purchase price

- 20% for the down payment
 - Eliminates mortgage insurance requirement
- 5% for closing costs or additional down payment
- 0% interest and no monthly payment

Pay SAM principal and appreciation at time of triggering event

- Sale of home
- Cash-out refinance
- Pay-off first mortgage

\$200,000 Purchase Price: Borrower Saves \$308 to \$518 Per Month

Based on \$200,000 purchase price, 660 credit score Taxes & Insurance excluded			
Terms	Conventional HFA 1 st SAM 2 nd – 20% down plus closing costs	Conventional HFA 1st 3% down/Charter MI \$12,500 DPA	FHA MRB Funding 3.5% down \$12,500 DPA
Interest Rate	6.625%	6.625%	5.75%
Base Loan Amount	\$160,000	\$194,000	\$193,000
MI Upfront Premium	N/A	N/A	\$3,377
Total Loan Amount	\$160,000	\$194,000	\$196,377
Principal/Interest	\$1,024.50	\$1,242.20	\$1,146.00
Monthly MI	N/A	\$202.41	\$88.46
1 st Mortgage Payment (P/I/MI)	\$1,024.50	\$1,444.61	\$1,234.46
2 nd Mortgage Payment	Deferred	\$97.23	\$97.23
Total Monthly Payment (1 st & 2nd Mortgage)	\$1,024.50	\$1,541.84	\$1,331.69

\$250,000 Purchase Price: Borrower Saves \$359 to \$609 Per Month

Based on \$250,000 purchase price, 660 credit score Taxes & Insurance excluded			
Terms	Conventional HFA 1 st SAM 2 nd – 20% down plus closing costs	Conventional HFA 1st 3% down/Charter MI \$12,500 DPA	FHA MRB Funding 3.5% down \$12,500 DPA
Interest Rate	6.625%	6.625%	5.75%
Base Loan Amount	\$200,000	\$242,500	\$241,250
MI Upfront Premium	N/A	N/A	\$4,222
Total Loan Amount	\$200,000	\$242,500	\$245,472
Principal/Interest	\$1,280.62	\$1,552.75	\$1,432.51
Monthly MI	N/A	\$239.58	\$110.57
1 st Mortgage Payment (P/I/MI)	\$1,280.62	\$1,792.33	\$1,543.08
2 nd Mortgage Payment	Deferred	\$97.23	\$97.23
Total Monthly Payment (1 st & 2nd Mortgage)	\$1,280.62	\$1,889.56	\$1,640.31

\$300,000 Purchase Price: Borrower Saves \$413 to \$712 Per Month

Based on \$300,000 purchase price, 660 credit score Taxes & Insurance excluded			
Terms	Conventional HFA 1 st SAM 2 nd – 20% down plus closing costs	Conventional HFA 1st 3% down/Charter MI \$12,500 DPA	FHA MRB Funding 3.5% down \$12,500 DPA
Interest Rate	6.625%	6.625%	5.75%
Base Loan Amount	\$240,000	\$291,000	\$289,500
MI Upfront Premium	N/A	N/A	\$5,066
Total Loan Amount	\$240,000	\$291,000	\$294,566
Principal/Interest	\$1,536.75	\$1,863.30	\$1,719.01
Monthly MI	N/A	\$287.50	\$132.69
1 st Mortgage Payment (P/I/MI)	\$1,536.25	\$2,150.80	\$1,851.70
2 nd Mortgage Payment	Deferred	\$97.23	\$97.23
Total Monthly Payment (1 st & 2nd Mortgage)	\$1,536.25	\$2,248.03	\$1,948.93

\$400,000 Purchase Price:

Borrower Saves \$535 to \$909 Per Month

Based on \$400,000 purchase price, 660 credit score Taxes & Insurance excluded			
Terms	Conventional HFA 1 st SAM 2 nd – 20% down plus closing costs	Conventional HFA 1 st 3% down/Charter MI \$12,500 DPA	FHA MRB Funding 3.5% down \$12,500 DPA
Interest Rate	6.625%	6.625%	5.75%
Base Loan Amount	\$320,000	\$388,000	\$386,000
MI Upfront Premium	N/A	N/A	\$6,755
Total Loan Amount	\$320,000	\$388,000	\$395,755
Principal/Interest	\$2,049.00	\$2,484.41	\$2,309.52
Monthly MI	N/A	\$376.17	\$176.92
1 st Mortgage Payment (P/I/MI)	\$2,049.00	\$2,860.58	\$2,486.44
2 nd Mortgage Payment	Deferred	\$97.23	\$97.23
Total Monthly Payment (1 st & 2 nd Mortgage)	\$2,049.00	\$2,957.81	\$2,583.67

SAM Phase One Launched July 27, 2026

- \$10M investment by KHC.
 - Expected to assist 160 – 200 homebuyers.
- Limited to 80% AMI and below.
- Homebuyer must meet definition of first-time homebuyer.
- New Construction Only.
- Available statewide.

Property Eligibility

- Single-Family Residence
- Single-Family Residence with Accessory Dwelling Unit
- Factory-built homes on permanent foundation and converted to real property
- Owner-occupied duplexes

Property Condition: All properties must be newly constructed and unoccupied within last 12 months, or to-be-built.

Phase Two Partnership Opportunity

- KHC has begun having discussions with partners interested in contributing to SAM to create their own restricted pool.
 - Municipalities
 - Foundations
 - Employers
 - Non-profit lenders/CDFIs
- Principal repayments and appreciation will be recycled into the restricted pool creating a revolving loan fund.

Menu of Options for Phase Two Partners

KHC will allow partners to select from a small list of customizations to create their restricted pool, including:

- New and/or existing construction
- Income Limit
- First time or repeat homebuyer
- Location (county, census, development, etc.)

Questions to Ask Yourself?

- Does the community have any vacant infill lots?
- Is a builder sitting on land that can be used for development?
- Is their land available that the county can buy and RFP for development?
- Are there large employers in the community that can create an employer-assisted housing program?
- Are there foundations that serve your community?

How Much Does it Cost to Create a Restricted Pool?

- The answer depends on how many homebuyers you want to assist.
- KHC assumed an average purchase price of \$250,000.
- SAM mortgage of 25% of the purchase price is \$62,500 per homebuyer.
- KHC's \$10M investment will assist 160 homebuyers.
- An investment of \$1M using the same assumptions will assist 16 homebuyers.

Why Become a SAM Partner?

- The SAM program is an easy way to address housing affordability in your community.
- The only requirement is that you contribute funds to create a restricted loan pool.
- KHC will direct homebuyers to approved SAM lenders that will facilitate the first and second mortgage loan.
- KHC will service the mortgage for you.

Interested in Becoming a SAM Partner?



- 1) Scan this QR code.
- 2) Fill out the form.
- 3) A member of KHC's staff will contact you.

In-Fill Development with Factory-Built Housing



Advantages of Factory-Built Homes

- Faster construction times
 - Can be delivered to site within 2-3 months of ordering.
 - On-site work completed in weeks rather than months.
- Energy efficient and lower utility costs.
- Constructed to federal HUD code and built on permanent foundations.
- Blend into neighborhoods.

Other Incentives to Attract Developers



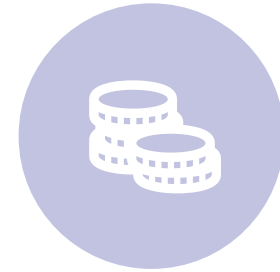
LAND WRITE-DOWN /
LONG-TERM LEASE



REDUCED / WAIVED
TAP AND IMPACT FEES



EXPEDITED
PERMITTING



INFRASTRUCTURE
COST-SHARE

Example of Land Write-Down / Long-Term Lease

- Land Option: County grants Developer an exclusive option to purchase [Parcel ID] of approximately [X acres] for [\$____] for a period of [180 days], extendable by mutual agreement.
- Land Discount: County agrees to write down land price by [\$____] (or offer long-term lease at \$1/year for [30] years) contingent on minimum development of [24 units] and completion within [36] months of closing.

Example of Reduced / Waived Tap & Impact Fees

- Fee Waiver/Reduction: County will waive or reduce local tap/impact fees by up to [\$____] per unit (or X% of standard fees) for a period of [24 months] from project approval.
- Deferral Option: County may permit deferred fee payments payable over [5] years at 0% interest, secured by project.

Example of Expedited Permitting

- Expedited Review: County will provide expedited review and one designated county permitting contact to coordinate approvals within target timelines (e.g., site plan approval within 45 days).
- Zoning Relief: County will support necessary zoning amendments or variances at no additional application fee for this project.

Example of Infrastructure Cost-Share

- Infrastructure Grant/Contribution: County commits up to [\$____] toward public infrastructure (roads, sewer extension, water main extension, broadband conduit) conditional on documented bids and reimbursement upon completion or payment at closing.

Thank You!

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