

URBAN RENEWAL AND COMMUNITY DEVELOPMENT

A GUIDE FROM KLC MUNICIPAL LAW

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In order to play any game, you must first learn the rules. The same holds true for the law surrounding urban renewal and community development. It is impossible to carry out the duties of urban renewal and community development unless you familiarize yourself with the applicable state statutes, as well as your local ordinances, that govern.

Statutes are not contained in some magical spell book. There is no forbidden wisdom in a statutory code book. You do not need a law school education to understand their meaning. We wanted to remove some of the mystique from the law by compiling this simple pdf document. It contains the entire portion of Kentucky Revised Statutes which pertain to urban renewal and community development.

Feel free to use this guide in any way that you deem fit. The reason we wanted to present this as a pdf though is because a pdf does have just a little bit of magic, truth be told. A pdf is word searchable. If you have the pdf on a laptop during a meeting and an issue comes up - you can plug the words in and hopefully the relevant portion of the law pertaining to urban renewal and community development will pop up. Failing that, you can always call the KLC Municipal Law Department at 800.876.4552.

The KLC Municipal Law Team

99.330 Legislative finding and policy

- (1) It is hereby found and declared:
 - (a) That there exist in many communities in this Commonwealth slum areas and blighted areas (as defined by KRS 99.340) which constitute a serious and growing menace, are injurious and inimical to the public health, safety, and welfare of the people of the Commonwealth, and are beyond remedy and control solely by regulatory process in the exercise of the police power;
 - (b) That such areas contribute substantially and increasingly to the spread of disease and crime and necessitate excessive and disproportionate expenditures for the preservation of the public health and safety, for crime prevention, correction, prosecution, and punishment, and the treatment of juvenile delinquency, and for the maintenance of adequate police, fire, and accident protection and other public services and facilities;
 - (c) That this menace cannot be effectively dealt with by private enterprise without the aids in KRS 99.330 to 99.510; and
 - (d) That the benefits which would result from eliminating slum conditions and conditions of blight will accrue to the inhabitants of the communities in which these conditions exist and to the inhabitants of this Commonwealth generally.
- (2) It is hereby declared:
 - (a) That it is the policy of this Commonwealth to protect and promote the health, safety, and welfare of the people of the Commonwealth and particularly of the communities in which slum areas and blighted areas exist by the elimination of slum conditions and conditions of blight;
 - (b) That the elimination of such conditions and the preparation of the land in such areas for sale or lease for development or redevelopment constitute a public use and purpose for which public money may be expended and private property acquired and are governmental functions in the interest of the health, safety, and welfare of the people of the Commonwealth; and
 - (c) That the necessity in the public interest for the provisions enacted in KRS 99.340 to 99.510 is hereby declared to be a legislative determination.

99.340 Definitions for KRS 99.330 to 99.510

The following words or terms shall have the following meanings wherever used in KRS 99.330 to 99.510, unless a different meaning is clearly indicated by the context:

- (1) "Slum area" means an area in which there is at least one-fourth (1/4) of all buildings or a predominance of improvements which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, sanitation, or open spaces, high density of population and overcrowding, or any combination of such factors, are unsafe or unfit to occupy; are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime; injuriously affect the entire area; or constitute a menace to the public health, safety and welfare. A slum area may include lands, structures, or improvements, the acquisition of which is necessary in order to assure the proper clearance and redevelopment of the entire area and to prevent the spread or recurrence of slum conditions thereby protecting the public health, safety, and welfare;

- (2) “Blighted area” means an area (other than a slum area as defined in this section) where by reason of the predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, submergency of lots by water or other unsanitary or unsafe conditions, deterioration of site improvements, diversity of ownership, tax delinquency, defective or unusual conditions of title, improper subdivision or obsolete platting, or any combination of such reasons, development of such blighted area (which may include some incidental buildings or improvements) into predominantly housing uses is being prevented;
- (3) “Redevelopment” means the planning or replanning, design or redesign, acquisition, clearance, development, disposal, rehabilitation, historic preservation, or any combination of these, of a development area and the preparation of such area for such residential, commercial, industrial, public, recreational, or other structures, works, improvements, facilities, or spaces as may be appropriate or necessary. “Redevelopment” and derivatives thereof shall mean develop as well as redevelop;
- (4) “Community” means any city or county;
- (5) “Mayor” means the mayor of a city or the county judge/executive of a county, or the officer thereof having the duties customarily imposed upon the executive head of a city or county;
- (6) “Council” means the legislative authority of a city or the fiscal court of a county;
- (7) “Redevelopment project” means any or a combination of one (1) or more of the following:
 - (a) Acquisition of a slum area or a blighted area (as defined in this section);
 - (b) Demolition, removal, rehabilitation, or historic preservation of structures and improvements;
 - (c) Installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the development plan; and
 - (d) Making the land available for development or redevelopment by private enterprise or public bodies for uses in accordance with the development plan;
- (8) “Development area” means the area of a redevelopment project;
- (9) “Development plan” means a plan for the redevelopment of all or any part of a development area;
- (10) “Agency” means a public corporate body created pursuant to KRS 99.350;
- (11) “Public body” means any city, county, commission, district authority, or other public body or political subdivision of the Commonwealth;
- (12) “Area of operation” means:
 - (a) In the case of a city, the area within the city and the area within five (5) miles of the territorial boundaries thereof, except that the area of operation of a city under KRS 99.330 to 99.510 shall not include any area which lies within the territorial boundaries of another city unless a resolution has been adopted by the council of the other city declaring a need therefor; and

- (b) In the case of a county, the area within the county, except that the area of operation of a county shall not include any area which lies within the territorial boundaries of a city unless a resolution has been adopted by the council of the city declaring a need therefor;
- (13) “Real property” includes all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest, and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage, or otherwise and the indebtedness secured by such liens;
- (14) “Planning commission” means a city, county, or joint city-county planning and zoning commission or a planning commission established pursuant to the provisions of KRS Chapter 100 having authority and responsibility with respect to the area of the community; and
- (15) “Bonds” means any bonds, notes, interim certificates, debentures, or other obligations.

99.350 Creation of agency; agency may be dissolved by vote of legislative body; appointment and tenure of members; structure and organization

- (1) If the council of any community by resolution finds and declares:
 - (a) That there exist in the community slum areas or blighted areas;
 - (b) That there is need in the community for the exercise of powers, functions and duties conferred by KRS 99.330 to 99.510; and
 - (c) That the exercise of such powers, functions and duties by an agency created and established pursuant to this section would be more efficient and more in the public interest than the exercise of such powers, functions and duties by the community or the housing commission of the community pursuant to KRS 99.490, an agency, to be known as the urban renewal and community development agency of the city or county, as the case may be, shall thereupon exist for such community with the powers, duties and functions provided for in KRS 99.330 to 99.510.
- (2) An urban renewal and community development agency created pursuant to subsection (1) of this section may be dissolved at any time by the council which created it by a three-fifths (3/5) vote of the legislative body.
- (3) Upon adoption of a resolution creating an agency, the mayor shall be promptly notified and he shall appoint, with the approval of a majority of the council, five (5) resident electors of the community as members of the agency.
- (4) Three (3) of the members who are first appointed shall be designated to serve for terms of one (1), two (2) and three (3) years respectively, and the remaining two (2) of such members shall be designated to serve for terms of four (4) years each, from the date of their appointment. Any appointments heretofore made for a term of five (5) years are hereby confirmed and declared to be appointments for a term of four (4) years from the date of such appointment. Thereafter, members shall be appointed as aforesaid for a term of office of four (4) years, except that all vacancies occurring during a term shall be filled for the unexpired term. A member shall hold office until his successor has been appointed and qualified.
- (5) The agency shall elect a chairman from among its members. The term of office as chairman of the agency, unless otherwise prescribed by the council, shall be for the calendar year, or for that portion thereof remaining after each such chairman is designated or elected.

- (6) The powers of each agency shall be vested in the members thereof then in office. Members of an agency or their staff shall receive their actual and necessary expenses, including traveling expenses, provided, however, that such other compensation, if prescribed, shall be paid exclusively from community funds.
- (7) For inefficiency, neglect of duty or misconduct in office, a member of an agency may be removed by the council, but the member may be removed only after he shall have been given a copy of the charges at least ten (10) days prior to a public hearing thereon and has had an opportunity to be heard in person or by counsel.
- (8) No officer or employee of the community or of the agency, who in the course of his duties is required to participate in the formulation of plans or policies for the redevelopment of a development area, or to approve such plans or policies, shall acquire any interest in any property included within a development area within the community. If any such officer or employee owns or has financial interest, direct or indirect, in any property included within such a development area, he shall immediately disclose, in writing, such interest to the agency and to the council and such disclosure shall be entered in the minutes of the agency and of the council. Failure to so disclose such interest shall constitute misconduct in office. No payment shall be made to any member or officer of an agency for any property or interest therein acquired by the agency from such member or officer unless the amount of such payment is fixed by court order in eminent domain proceedings, or unless such payment is unanimously approved by the council.
- (9) When an agency is created for any community, the council may at that time, and from time to time thereafter, appropriate such amounts of money to the agency as it deems necessary for the administrative purposes of the agency. The administrative purposes of the agency may include staff and consultants for research, studies and surveys, designation of development areas, preparation of development plans, estimates of the cost of acquisition, clearance and conditioning of land for redevelopment, estimates of the fair use value of the land and any other administrative expenses considered necessary by the council.
- (10) Each such agency shall file with the council a detailed report of all its transactions, including a statement of all revenues and expenditures, at such intervals as the council may prescribe.

99.360 Powers of the agency

- (1) Each agency created for the purpose of KRS 99.330 to 99.510 shall constitute a public body, corporate and politic, exercising public and essential governmental functions, and shall have the following powers in addition to the others granted:
 - (a) To sue and be sued; to have a seal; to make and execute contracts and other instruments necessary or convenient to the exercise of its powers;
 - (b) To make, and from time to time amend and repeal bylaws, rules and regulations not inconsistent with KRS 99.330 to 99.510 to carry into effect the powers and purposes thereof;
 - (c) To select and appoint such officers, agents, counsel and employees, permanent and temporary, as it may require, and determine their qualifications, duties and compensation, subject, however, to the provision of its budget;
 - (d) Within its area of operation, for purposes of redevelopment within the development area, to purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise or otherwise, any real or personal property, or any interest therein, together with any improvements thereon; to acquire

by the exercise of the power of eminent domain any real property; to clear any and all buildings, structures or other improvements from any real property so acquired and to dispose of any personal property resulting therefrom; to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber (by mortgage, deed of trust or otherwise), or otherwise to dispose of any real or personal property or any interest therein at its fair value for uses in accordance with the development plan, irrespective of the cost of acquiring and preparing real property for redevelopment; to insure or provide for the insurance of any real or personal property or operation of the agency against risks or hazards; and pursuant to the provisions of KRS 99.450 to rent, maintain, manage, operate, and repair such real property;

- (e) To borrow from and to accept loans and grants from the federal government or any agency thereof, or from any sources, public or private, for the purposes of KRS 99.330 to 99.510, and to pledge such security as may be required; an agency, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government any conditions which the federal government may attach to its financial aid of a redevelopment project, not inconsistent with the purposes of KRS 99.330 to 99.510;
 - (f) Within its area of operation, to develop as a building site or sites, any real property owned or acquired by it, and in this connection to cause streets and highways to be laid out and graded, and pavements or other road surfacing, sidewalks and curbs, and public utilities of every kind to be constructed and installed, or to close any streets according to the development plan;
 - (g) Within its area of operation, to prepare from time to time plans for the improvement or rehabilitation of slum and blighted areas; to make, periodically, investigations and surveys pertaining to slum clearance and urban redevelopment;
 - (h) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be canceled;
 - (i) To obligate lessees or purchasers of land acquired in a redevelopment project: To use such land for the purpose designated in the development plan; to begin the building of specified improvements within a period of time which the agency fixes as reasonable; and to comply with such other conditions as in the opinion of the agency are necessary to carry out the purposes of KRS 99.330 to 99.510; the agency, by provision in the contract, deed or lease may make any of the purchaser's obligations covenants or conditions running with the land, whose breach shall cause the fee to revert to the agency;
 - (j) To exercise all or any part or combination of the powers herein granted; and
 - (k) To expend public funds for the rehabilitation of private property within the agency's area of operation through loans or grants to the owners or occupants of such property.
- (2) Nothing contained in this section shall authorize such agency to construct any of the buildings for residential, commercial, industrial or other use contemplated by the development plan.

99.370 Prerequisites for adoption of a development plan

No agency may acquire title to any land for the purpose of carrying out a development plan unless the following conditions have been met:

- (1) A general or master plan of the community has been adopted by the planning commission of the community.
- (2) A development plan for the proposed development area has been approved by the planning commission of the community and has been made available for public inspection. The development plan shall designate, among other things, the location, character and extent of the public and private land ownership and uses proposed within the area, such as street, sewer, public transportation, school, recreation, dwelling, business, industry and such others as may be suitable. The development plan may be made by the agency, or at the request of the agency or at the direction of the council, be prepared by the planning commission of the community.
- (3) A public hearing held by the agency on the redevelopment project, whereat an opportunity shall be afforded to all persons interested to be heard, either in person or by counsel. Notice of such hearings shall be published pursuant to KRS Chapter 424. Notices of the hearing shall be mailed at least ten (10) days before the hearing, to the last known owner of each parcel of land in the development area at the last known address of such owner as shown by the records of the assessor and shall contain a description of the proposed development area by its location in relation to highways, streets, streams or otherwise. Such notices shall further state that maps, plats and particular description of the development plan, together with such zoning maps and ordinances as may relate thereto, are available for public inspection at a place to be designated in such notice. The failure of any owner to receive a copy of such notice shall not invalidate the proceedings of the agency.
- (4) A finding has been made by the agency that there is a feasible method for the temporary or permanent relocation of families displaced from the development area, and that there are, or are being provided, in the development area or in other areas not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the development area decent, safe, and sanitary dwellings for such displaced families.
- (5) After public hearing, the agency has made and certified to the council the development plan and an estimate of the cost required of the community for the redevelopment of such area, for the guidance of the council in providing funds therefor, an estimate of the total cost of such redevelopment including an estimate of the cost of appraisals, the value of the real estate, and any other costs and expenses which, in the judgment of the agency may be incurred by the agency in the exercise of the powers granted in KRS 99.330 to 99.510, and an estimate of the revenue from the sale or lease of the property after demolition and conditioning for redevelopment, and the amount of deficit, if any, which is expected to be incurred.
- (6) A finding has been made by the council:
 - (a) That the area is a slum area or that all the following conditions exist:
 1. That the area is a blighted area;
 2. That a shortage of housing of sound standards and design adequate for family life exists in the community;
 3. That the need for housing accommodations has been or will be increased as a result of the

demolition of residential units in slum areas under development plans; and

4. That the conditions of blight in the area and the shortage of decent, safe, and sanitary housing in the community cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, and welfare;
 - (b) That the development plan will afford maximum opportunity consistent with the sound needs of the community as a whole for the redevelopment of the development area by private enterprise;
 - (c) That the development plan conforms to the general or master plan for the development of the community as a whole; and
 - (d) That federal assistance is necessary to enable the development area to be redeveloped in accordance with the development plan and funds will be available for the community share of the cost as required by the Housing Act of 1949 or other federal acts providing federal financial assistance, or that federal financial assistance is not necessary and all funds will be available from other sources;
- (7) The council has approved the development plan.

99.380 Issuance of building permits and certificates of occupancy in development area

After adoption of the development plan by the council, no building permit or certificate of occupancy shall be issued for any structure or use within the area (except for construction or uses which are necessary for the immediate protection of the public health or safety) without the approval in writing by the agency, based upon a determination by the agency that the proposed construction is not inconsistent with the development plan. Upon the sale or lease of the redevelopment project or any portion thereof by the agency, no building permits or certificates of occupancy shall be issued for any structures or uses that do not conform to the development plan.

99.390 Appeals

- (1) Any person, firm, corporate organization, public officer or governmental agency or department, being a party of record at any hearing conducted by the agency in connection with the designation of a redevelopment project which has applied for a building permit or certificate of occupancy under KRS 99.380, claiming to be injuriously affected or aggrieved by refusal of the agency to approve such permit or certificate, may appeal from such action to the Circuit Court of the county wherein the agency is located, and jurisdiction is hereby given to such Circuit Court to hear and determine all questions and issues brought before it on such appeal. An appeal shall stay all action by all parties of record in the matter appealed from. Such appeal shall be taken within thirty (30) days after notice of such action or decision has been given by the agency to the party affected by the decision of said agency, by filing in the office of the clerk of the Circuit Court of such county a statement of appeal, setting forth the action or decision of the agency appealed from, the date thereof, the reasons for said appeal, and attaching thereto as a part thereof a certified copy of such action or decision and asking that an order to show cause be issued against and served upon the agency as to why such building permit or certificate of occupancy should not be issued.
- (2) After the appeal is taken the procedure shall be the same as in common law actions, except that said appeals shall have preference over other cases on the docket and may, upon the motion of any party, be set down for trial in advance of other cases. Upon filing an appeal, notice thereof must be immediately given to the agency and all parties of record, by actual notice served or by service of summons. Hearings in the Circuit Court shall be de novo and heard by the judge and appeals may be taken from the

decision of said Circuit Court to the Court of Appeals in the same manner as common law cases are appealed, except that all appeals to the Court of Appeals must be made within sixty (60) days from the date of judgment in the Circuit Court.

99.400 Grant of funds by community; funds obtained by levy of taxes or issuance of bonds

Any community located in whole or in part within the area of operation of an agency may grant funds to an agency for the purpose of aiding such agency in carrying out any of its powers and functions under KRS 99.330 to 99.510. To obtain funds for this purpose, the community may levy taxes or may issue and sell its general obligation or revenue bonds. Any bonds to be issued by the community pursuant to the provisions of this section shall be issued in the manner and within the limitations, except as otherwise provided in KRS 99.330 to 99.510, prescribed by the laws of this Commonwealth for the issuance and authorization of such bonds for public purposes generally.

99.410 Cooperation by public bodies

- (1) A public body shall have power to aid an agency within its area of operation and such aid may be authorized by a resolution or ordinance of the legislative body of such public body adopted by a majority of its members present at a meeting of such legislative body. A public body may aid an agency in the following manner and upon such terms, with or without consideration, as it may determine:
 - (a) Dedicate, sell, convey or lease any of its interest in any property, or grant easements, licenses or any other rights or privileges therein to an agency;
 - (b) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished in connection with a redevelopment project;
 - (c) Furnish, dedicate, close, pave, install, grade, regrade, plan or replan public streets or ways or other public places which it is otherwise empowered to undertake;
 - (d) Plan or replan, zone or rezone any part of the public body; make exceptions from building regulations and ordinances; and any city may also change its boundaries;
 - (e) Cause services to be furnished to the agency of the character which the public body is otherwise empowered to furnish;
 - (f) Enter into agreements with respect to the exercise by such public body of its powers relating to the repair, closing or demolition of unsafe, unsanitary or unfit dwellings;
 - (g) Incur the entire expense of any public improvements made by such public body in exercising the powers granted in this section; and
 - (h) Do any and all things necessary or convenient to aid and cooperate in the redevelopment of a development area.
- (2) Any sale, conveyance, lease or agreement provided for in this section may be made by a public body without appraisal, public notice, advertisement or public bidding.

99.420 Eminent domain

Whenever in the opinion of the agency, land or other property, right of way or easement over or through any property is needed by the agency in order to accomplish the purposes of KRS 99.330 to 99.510, it may by resolution authorize the purchase or condemnation in the name of the agency, of the land or other property, or right of way or easement necessary for the purpose, and may proceed to condemn and acquire the property pursuant to the Eminent Domain Act of Kentucky.

99.430 Bonds, notes, and obligations of the agency

- (1) Any agency shall have power to issue revenue bonds from time to time at its discretion for any of its corporate purposes under KRS 99.330 to 99.510. An agency shall also have power to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. An agency may issue revenue bonds on which the principal and interest are payable:
 - (a) Exclusively from the income and revenues of the redevelopment project or projects financed from the proceeds of the bonds; or
 - (b) Exclusively from the income and revenues together with grants and contributions from the federal government or other sources. Any bonds may be additionally secured by a mortgage, deed of trust, or other lien or encumbrance on the property in the redevelopment project or projects financed from the proceeds of the bonds.
- (2) Neither the members of an agency or any person executing the bonds shall be liable personally on the bonds by reason of the issuance of the bonds. The bonds and other obligations of an agency (and the bonds and obligations shall so state on their face) issued under this section shall not be a debt of the city, the county, the State, or any political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction and neither the city, the county, the State, nor any political subdivision of the State shall be liable, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the agency.
- (3) Bonds of an agency shall be authorized by its resolution. The bonds may be issued in one (1) or more series and shall bear a date or dates, mature at a time or times, bear interest at a rate or rates or method of determining rates, be in a denomination or denominations, be in form, either coupon or registered, carry conversion or registration privileges, have rank or priority, be executed in a manner, be payable in a medium of payment, at a place or places, and be subject to the terms of redemption (with or without premium) as the resolution, its trust indenture, or mortgage may provide.
- (4) The bonds may be sold at public sale held after notice has been given by publication pursuant to KRS Chapter 424. The bonds, however, may be sold to the federal government at private sale without advertisement.
- (5) In case any of the members or officers of the agency whose signatures appear on any bonds, coupons, notes, or other obligations shall cease to be members or officers before the delivery of the bonds, coupons, notes, or other obligations, the signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until delivery of the bonds. Any provision of any law to the contrary notwithstanding, any bonds, coupons, notes, or other obligations issued pursuant to KRS 99.330 to 99.510 shall be fully negotiable.
- (6) In any suit, action, or proceedings involving the validity or enforceability of any bonds of an agency or their security, any bonds reciting in substance that they have been issued by the agency to aid in

financing a redevelopment project shall be conclusively deemed to have been issued for a redevelopment project and the project shall be conclusively deemed to have been planned, approved, located, and carried out in accordance with the purposes and provisions of KRS 99.330 to 99.510.

- (7) In connection with the issuance of bonds, an agency, in addition to its other powers, shall have power:
- (a) To pledge all or any part of its gross or net revenue to which its right then exists or may thereafter come into existence;
 - (b) To encumber (by mortgage, deed of trust, or otherwise) all or any part of its real or personal property in the redevelopment project;
 - (c) To covenant against pledging all or any part of its revenues, or against encumbering all or any part of its real or personal property, to which its right or title then exists or may thereafter come into existence or against permitting or suffering any lien on revenues or property; to covenant with respect to its sale, leasing, or other disposition of any redevelopment project or any part of the project; and to covenant as to what other or additional debts or obligations may be incurred by it;
 - (d) To covenant as to the bonds to be issued and as to the issuance of the bonds in escrow or otherwise, and as to the use and disposition of the proceeds of the bonds; to provide for the replacement of lost, destroyed, or mutilated bonds, to covenant against extending the time for the payment of its bonds or interest on the bonds; and to redeem the bonds, and to covenant for their redemption and to provide the terms and conditions of the bonds;
 - (e) To covenant as to the amounts to be charged in the sale or lease of properties in a redevelopment project or projects, the amount to be raised from revenue each year or other period of time, and as to the use and disposition to be made of this amount; to create or to authorize the creation of special funds for moneys held for redevelopment or other costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the money held in special funds;
 - (f) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which consent may be given;
 - (g) To covenant as to the use of any or all of its real or personal property; and to covenant as to the maintenance of its real and personal property, its replacement, the insurance to be carried, and the use and disposition of insurance moneys;
 - (h) To covenant as to the rights, liabilities, powers, and duties arising upon the breach of any covenant, condition, or obligation; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which a declaration and its consequences may be waived;
 - (i) To vest in a trustee or trustees or the holders of bonds or any proportion of them the right to enforce the payment of the bonds or any covenant securing or relating to the bonds; to vest in a trustee or trustees the right, in the event of a default by an agency, to take possession of any redevelopment project or part of the project, and to collect the rents and revenues arising or due the agency in connection with the project, and to dispose of the moneys in accordance with the agreement of the agency with the trustee; to provide for the powers and duties of a trustee or trustees and to limit the liabilities of the trustees; and to provide the terms and conditions upon

which the trustee or trustees or the holders of bonds or any proportion of them may enforce any covenant or rights securing or relating to the bonds; and

- (j) To exercise all or any part or combination of the powers granted; to make covenants other than and in addition to the covenants expressly authorized of like or different character; to make the covenants and to do any and all the acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the discretion of the agency, except as otherwise provided in KRS 99.330 to 99.510, as will tend to make the bonds more marketable notwithstanding that the covenants, acts, or things may not be enumerated within this section.
- (8) The bonds, notes, and other obligations of an agency are declared to be issued for an essential public and governmental purpose, and together with interest and income from the bonds, notes, and other obligations shall be exempt from all taxes.
- (9) Notwithstanding any restrictions on investments contained in any laws of this Commonwealth, the Commonwealth and all public officers, municipal corporations, political subdivisions, and public bodies; all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business; all insurance companies, insurance associations and other persons carrying on an insurance business; and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or other obligations issued by an agency, as defined by KRS 99.340, or issued by any community or other public body in the United States, when the bonds and other obligations are secured by a contract for financial assistance to be paid by the United States government or any of its agencies, and the bonds, and other obligations shall be authorized security for all public deposits; it being one (1) of the purposes of KRS 99.330 to 99.510 to authorize any persons, firms, corporations, associations, political subdivisions, bodies, and officers, public or private, to use any funds owned or controlled by them including (but not limited to) sinking, insurance, investment, retirement, compensation, pension, and trust funds, any funds held on deposit, for the purchase of any bonds or other obligations; provided, however, that nothing contained in KRS 99.330 to 99.510 shall be construed as relieving any person, firm, or corporation from any duty of exercising reasonable care in selecting securities.

99.440 Procedure for submitting question of bond issue

Upon the approval by the council of the development plan, the agency shall proceed to carry out the redevelopment. In the event that a bond issue is to be submitted by the community to the voters for the purpose of providing funds to pay for the cost of the redevelopment project or any part thereof, the question of issuing bonds shall be submitted as required in KRS 66.040 and 91A.090, both inclusive.

99.450 Disposal of property in development area

The agency may sell, exchange, lease, or otherwise transfer real property acquired under the provisions of KRS 99.330 to 99.510 to one or more private individuals or to public bodies, and thereafter the real property shall be used only in accordance with the limitations and conditions set forth in the development plan, or the development plan as modified under KRS 99.330 to 99.510. Maximum opportunity, consistent with the sound needs of the locality, shall be given private enterprise in the redevelopment of development areas. The agency shall sell, lease, exchange, or withhold for public use by the state or any public body thereof, all of the property which it has acquired in such development area as soon as feasible and in the public interest. Prior to any such sale or exchange of real property, the agency shall obtain appraisals made by independent appraisers of the value of such real property proposed to be sold or exchanged, which appraisals shall be based upon the new uses established for such real property. These appraisals shall be used as a guide for the agency in disposing of its real

property, but the agency shall not be bound thereby.

99.460 Modification of development plan

If a proposal by an agency to modify a development plan is made in writing to the planning commission and the council of the community, the planning commission and council shall consider the proposed modification, and if they approve such modification in writing, the development plan shall be changed accordingly. No modification of a plan shall affect, without the written consent of the owner or lessee, as the case may be, any property previously sold, leased, or exchanged by the agency.

99.470 Temporary leasing during development

An agency shall have the right to lease any parcel or parcels obtained by it pursuant to its proceedings under KRS 99.330 to 99.510 for such uses and purposes as may be deemed desirable, even though not in conformity with the development plan, during the period of the development of any project, provided, however, that no such leases shall be made for a term longer than three (3) years or beyond the date of the completion of the redevelopment work, whichever may be the shorter term.

99.480 Contracts for work; satisfaction of legal requirements

Before the agency enters into any contracts for work of demolition, grading, clearing or construction of utilities or other facilities or site improvements, it shall satisfy all requirements of the law, applicable to similar contracts of the community, relating to the advertisement and acceptance of bids, execution of bonds, and award of contracts.

99.490 Exercise of agency powers by community or housing authority

If the council within its discretion finds and determines that it would be more efficient and in the public interest for the powers, functions, and duties of an agency to be exercised by the community or the housing authority of the community, such community or housing authority shall have all of the powers, functions, rights, duties and privileges (subject to the limitations thereon) of an agency under KRS 99.330 to 99.510, and any powers of a public body (including a community) to assist an agency, or a project thereof, may be exercised to assist such community or housing authority or the project thereof. For such purposes, the term “agency,” as used in KRS 99.330 to 99.510, shall mean the housing authority or the city or county, as the case may be, unless a different meaning clearly appears from the context. If a community has, pursuant to this section, determined to exercise the powers, functions, and duties of an agency, it may delegate any of them to a department or departments of such community, or may create a special department to exercise the powers and perform the functions and duties of an agency; provided that no such department or departments shall have the power to issue the bonds or acquire title to real property, this power being reserved to the community. Bonds issued by the community or by the housing authority of the community for any purposes under KRS 99.330 to 99.590 may be revenue bonds.

99.500 Cooperation between communities

Two or more communities may jointly exercise the powers granted under KRS 99.330 to 99.510 and in such case the planning commissions, councils, and agencies may hold joint meetings, but all public hearings shall be held in each community which is affected under KRS 99.330 to 99.510. By resolution finding and declaring a need therefor, the council of each of the communities may designate the agency of one (1) of the communities to act as the agency of each of such communities and such agency shall constitute an agency created and established by and for each such community pursuant to KRS 99.330 to 99.510 within the meaning of any provisions thereof. In this event the agency designated shall cooperate with the planning commission of each community in

formulating development plans. The councils of the communities involved shall have the power to contract with each other in order to carry out the plan approved.

99.510 Additional conferred powers

The powers conferred by KRS 99.330 to 99.510 shall be in addition and supplemental to the powers conferred by any other law.

99.520 Legislative finding and policy of KRS 99.520 to 99.590

It is hereby found and declared that (1) there exist in communities of the state, slum, blighted and deteriorated areas which constitute a serious and growing menace, injurious to the public health, safety, morals and welfare of the residents of the state, and the findings and declarations heretofore made in KRS 99.330 with respect to slum and blighted areas are hereby affirmed and restated, (2) certain slum, blighted or deteriorated areas, or portions thereof, may require acquisition and clearance, as provided in KRS 99.330 to 99.510, since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation, but other areas or portions thereof may, through the means provided in KRS 99.330 to 99.510 and KRS 99.520 to 99.590, be susceptible of conservation or rehabilitation in such a manner that the conditions and evils hereinbefore enumerated may be eliminated, remedied or prevented, and to the extent feasible salvable slum and blighted areas should be conserved and rehabilitated through voluntary action and the regulatory process, and (3) all powers conferred by KRS 99.330 to 99.510 and KRS 99.520 to 99.590, are for public uses and purposes for which public money may be expended and such other powers exercised, and the necessity in the public interest for the provisions of KRS 99.330 to 99.510 and KRS 99.520 to 99.590, is hereby declared as a matter of legislative determination. A community, to the greatest extent it determines to be feasible in carrying out the provisions of KRS 99.330 to 99.510 and KRS 99.520 to 99.590, shall afford maximum opportunity, consistent with the sound needs of the community as a whole, to the rehabilitation or redevelopment of areas by private enterprise.

99.530 Urban renewal projects

- (1) In addition to its authority under KRS 99.330 to 99.510, an agency is hereby authorized to plan and undertake urban renewal projects. As used in KRS 99.520 to 99.590, an urban renewal project may include undertakings and activities for the prevention of the development or spread of slums or blighted, deteriorated, or deteriorating areas, or the elimination thereof, and may involve any work or undertaking for such purpose constituting a redevelopment project or any rehabilitation or conservation work, or any combination of such undertaking or work. For this purpose, "rehabilitation or conservation work" may include:
 - (a) Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements;
 - (b) Acquisition of real property and demolition, removal, relocation, historic preservation, or rehabilitation of buildings and improvements thereon where necessary to eliminate unhealthful, unsanitary, or unsafe conditions; lessen density; reduce traffic hazards; eliminate obsolete or other uses detrimental to the public welfare; remove or prevent the spread of blight or deterioration; or provide land or buildings, and improvements thereon, for needed public facilities;
 - (c) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the objectives of the urban renewal project; and

- (d) The disposition, for uses in accordance with the objectives of the urban renewal project, of any property or part thereof acquired in the area of such project; provided that such disposition shall be in the manner prescribed in KRS 99.450 for the disposition of property in a redevelopment project area.
- (2) Notwithstanding any other provisions of KRS 99.330 to 99.510 and KRS 99.520 to 99.590, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the Governor of the State has certified the need for disaster assistance under Public Law 8751, Eighty-First Congress, or other federal law, the local governing body may approve an urban renewal plan and an urban renewal project with respect to such area without regard to any provisions of KRS 99.330 to 99.510 and KRS 99.520 to 99.590, requiring public hearings or requiring that the urban renewal plan conform to a general or master plan for the community as a whole, or that the urban renewal area be a slum area, or a blighted, deteriorated, or deteriorating area, or that the urban renewal area be predominantly residential in character or be developed or redeveloped for residential uses.

99.540 Urban renewal plan

Any urban renewal project undertaken pursuant to the preceding section shall be undertaken in accordance with an urban renewal plan for the area of the project. As used in KRS 99.520 to 99.590, an “urban renewal plan” means a plan, as it exists from time to time, for an urban renewal project, which plan (1) shall conform to the general or master plan for the community as a whole, except as provided for disaster areas; and (2) shall be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the area of the urban renewal project, zoning and planning changes, if any, land uses, maximum densities, building requirements, and the plan’s relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements. An urban renewal plan shall be prepared and approved pursuant to the same procedure as provided in KRS 99.330 to 99.510 with respect to a development plan. Where real property acquired by an agency is to be transferred in accordance with the urban renewal plan, any contract for such transfer and the urban renewal plan, or such part or parts of such contract or plan as the agency may determine, may be recorded in the land records of the community in such manner as to afford actual or constructive notice thereof.

99.550 Power and authority of agency with respect to urban renewal

An agency shall have all the powers necessary or convenient to undertake and carry out urban renewal plans and urban renewal projects, including the authority to acquire and dispose of property, to issue bonds and other obligations, to borrow and accept grants from the federal government or other source and to exercise the other powers which KRS 99.330 to 99.510 confer on an agency with respect to redevelopment projects. In connection with the planning and undertaking of any urban renewal plan or urban renewal project, the agency, the community, and all public and private officers, agencies, and bodies shall have all the rights, powers, privileges, and immunities which they have with respect to a development plan or redevelopment project, in the same manner as though all of the provisions of KRS 99.330 to 99.510 applicable to a development plan or redevelopment project were applicable to an urban renewal plan or urban renewal project; Provided That for such purpose the word “redevelopment” as used in KRS 99.330 to 99.510 and KRS 99.520 to 99.590, except in this section and in the definition of “redevelopment project” in KRS 99.340, shall mean “urban renewal,” the words “slum area” and the words “blighted area” as used in KRS 99.330 to 99.510 and KRS 99.520 to 99.590, except in this section and in the definitions in subsections (1) and (2) of KRS 99.340, shall mean “blighted, deteriorated, or deteriorating area,” and the finding prescribed in KRS 99.370 with respect to a slum area or blighted area shall not be required; Provided further That any disaster area, referred to in KRS 99.530, shall constitute a “blighted area”; and Provided further That this section shall not change the

corporate name of the agency or amend any section of KRS 99.330 to 99.510. In addition to the surveys and plans which an agency is otherwise authorized to make, an agency is hereby specifically authorized to make (1) plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, (2) plans for the enforcement of laws, codes, and regulations relating to the use of lands and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements, (3) plans for the relocation of persons, including families, business concerns and others, displaced by an urban renewal project, (4) preliminary plans outlining urban renewal activities for neighborhoods to embrace two (2) or more urban renewal areas, and (5) preliminary surveys to determine if the undertaking and carrying out of an urban renewal project are feasible. The agency is authorized to make relocation payments to or with respect to persons, including families, business concerns and others, displaced by an urban renewal project, for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government. The agency also is authorized to develop, test, and report methods and techniques, and carry out demonstrations and other activities, for the prevention and the elimination of slums and urban blight.

99.555 Authority to receive grants

In addition to the power and authority of any agency under KRS 99.550, such agency shall have the power and authority to act and receive grants from the federal government, local government, or any other sources, for the preparation, planning and completion of community renewal programs, and as authorized and provided for by section 405 of the Federal Housing Act of 1959, amending and adding to section 103 of the Housing Act of 1949, as amended. Communities and other public bodies shall, in addition to the assistance permitted to be given by them under KRS 99.560, have the power and authority to provide, either directly or to the agency, that portion of the total cost of the preparation, planning and completion of the community renewal program for which a grant is not made by the federal government under said section 405 of the Federal Housing Act of 1959.

99.560 Assistance to urban renewal by communities and other public bodies

Any community or other public body is hereby authorized (without limiting any provision in the preceding section) to do any and all things necessary to aid and cooperate in the planning and undertaking of an urban renewal project in the area in which such community or public body is authorized to act, including the furnishing of such financial and other assistance as the community or public body is authorized by KRS 99.330 to 99.510 to furnish for or in connection with a redevelopment plan or redevelopment project. An agency is hereby authorized to delegate to a community or other public body any of the powers or functions of the agency with respect to the planning or undertaking of an urban renewal project in the area in which such community or public body is authorized to act, and such community or public body is hereby authorized to carry out or perform such powers or functions for the agency. Any public body is hereby authorized to enter into agreements (which may extend over any period, notwithstanding any provision or rule of law to the contrary) with any other public body or bodies respecting action to be taken pursuant to any of the powers granted by KRS 99.330 to 99.510 and KRS 99.520 to 99.590, including the furnishing of funds or other assistance in connection with an urban renewal plan or urban renewal project.

99.565 Acquisition of property in order to receive federal funds

The council of any community, whose agency has received certification of availability of federal funds pursuant to section 101(c) of the National Housing Act of 1949, as amended may authorize the agency to acquire, by eminent domain, purchase, gift, grant, devise or otherwise, any real property in the development area or urban renewal area without regard to the conditions, restrictions, or provisions set forth in KRS 99.370, or any other section of this chapter; if it finds by resolution that it is desirable and feasible to obtain federal financial assistance authorized by section 403 of the Housing Act of 1959 in acquiring such real property, and to sell, grant and convey any such real property if by resolution the agency consents to the disposal thereof.

99.570 Workable program authorized

The governing body of the community, or such public officer or public body as it may designate, is hereby authorized to prepare a workable program (which may include an official plan of action, as it exists from time to time for effectively dealing with the problem of urban slums and blighted, deteriorated, or deteriorating areas within the community and for the establishment and preservation of a well-planned community with well-organized residential neighborhoods of decent homes and suitable living environment for adequate family life) for utilizing appropriate private and public resources to eliminate, and prevent the development or spread of, slums and urban blight and deterioration, to encourage needed urban rehabilitation, to provide for the redevelopment of blighted, deteriorated, or slum areas, or to undertake such of the aforesaid activities or other feasible activities as may be suitably employed to achieve the objectives of such a program.

99.580 Provisions of KRS 99.520 to 99.590 severable

Notwithstanding any other evidence of legislative intent, it is hereby declared to be the controlling legislative intent that if any provision of KRS 99.520 to 99.590, or the application thereof to any person or circumstances, is held invalid, the remainder of KRS 99.520 to 99.590 and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

99.590 Powers conferred by KRS 99.520 to 99.590 supplemental

The powers conferred by KRS 99.520 to 99.590 shall be in addition and supplemental to the powers conferred by any other law.