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**Kentucky Needs More Affordable Housing Options!**

**The PROBLEM:** There is an extreme shortage of housing solutions for Kentucky’s working families—and it’s only been made worse by the COVID-19 pandemic.

**As the crisis continues, more and more Kentuckians are struggling to find housing solutions.**

* Approximately 21% of Kentuckians spend more than half of their income on home rental costs, according to figures available before the pandemic. Ideally, individuals and families should only have about 30% of their income go towards housing costs, but too many are having to pay a significantly larger percentage.
* Even prior to the COVID-19 pandemic, Kentucky was short 75,000 homes for working families.

**A variety of factors, including pandemic related unemployment, have contributed to Kentucky’s affordable housing crisis.**

* The affordable housing crisis was made worse by the pandemic, which also caused many businesses to close, leading to further housing and poverty issues.
* While the federal government provided some short-term assistance – such as rent relief programs – those temporary solutions are expiring and Kentucky is left without housing solutions.

**The SOLUTION:** Creating a state workforce housing tax credit—which has proven to be successful in many other states—to address the critical shortage of quality housing available at an affordable cost to Kentuckians.

**A state workforce housing tax credit could nearly double the number of units produced per year, which would significantly aid in relief from the affordable housing crisis.**

* Currently, there are federal programs in place to build affordable housing, but resources are limited and in high demand.
* It typically takes between 18 months and 2 years to complete the construction process for a multi-family affordable housing development, so the sooner Kentucky adopts this credit, the sooner we can see its successes.

**State housing tax credits have a proven track record in many other states.**

* More than 20 other states have already proven that state workforce housing tax credit programs increase production.
* In 2016, Georgia built 1219 units which generated $150 million in local income, $40 million in tax and government revenue and 2,073 jobs.
* The use of the tax credit in Colorado in 2016 generated 1,299 units, 3,289 jobs and over $525 million in economic impact.

**A state workforce housing tax credit would pay for itself.**

* Based on projections of $12.5 million in annual credits issued over a 10-year coupled with a 5-year sunset indicates increased economic activity in the form of construction, ongoing property operations, increased property values and increased incomes to offset Kentucky’s foregone general fund revenues.
* 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.*
* $790.2 million of combined construction and operating tax revenues of the program would go to state, county, and local governments.
* Additional housing spending and apartment operations would create nearly $20.4 million in ongoing annual tax revenue each year at stabilized occupancy.

**Kentucky’s lack of housing solutions has a direct impact on citizens from all walks of life.**

A variety of individuals and families throughout the Commonwealth are in desperate need of housing solutions. This includes those in today’s workforce, as well as yesterday’s workforce and tomorrow’s workforce:

* Essential workers: On certain essential workers’ salaries, especially those early in their careers as teachers, nurses, police and firefighters, affordable housing is not easy to come by as housing prices soar.
* Elderly: Many elderly individuals in our state would sell their homes, allowing more inventory to exist for new buyers, but they have nowhere ideal to go for a reasonable rate.
* Young Kentuckians: Many young Kentuckians need housing solutions as well. Whether they are the child of a single parent working to make ends meet, or a child aging out of the foster care system, the burden of finding somewhere to live at an affordable price should not be on their list of “to-do’s.”
* Veterans – Our nation’s heroes can struggle to find housing that suits their financial needs, unnecessarily adding a significant burden to America’s best.

**Every area of the state can benefit from more affordable housing.**

* From Paducah to Pikeville, residents across the state need housing solutions that empower them to get out of the “red” and able to take better care of themselves and their families.

*Please visit the CAHS website at www.housingsolutionsky.com for details and to see our growing list of more than 45 member organizations and individuals committed to our mission.*

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