

Lexington's Transformational Housing Affordability Partnership



Unique Partnership



Lexington Housing Authority



Lexington's Challenges:

- Lack of Available Land
- High Purchase Development Costs
- Access to Capital for Affordable Housing Developers to Hold Land



Local Banks Create Capital Investment Loan Fund

- Banks Leverage CRA Credits
- \$3M in start-up capital
- 80% AMI Deed Restricted
- No interest loan
- Reinvest in other affordable housing projects



Affordable Housing Developer Partnership

- 26 single family homes
- 24 townhomes
- 150 multi-family units
- Serving 30-80% AMI



Financing Plan

- \$53M in total site development including infrastructure, land cost repayment and construction.
- The goal is to reduce cost through private, federal, state and local funding to provide access to affordable rental and homeownership opportunities.

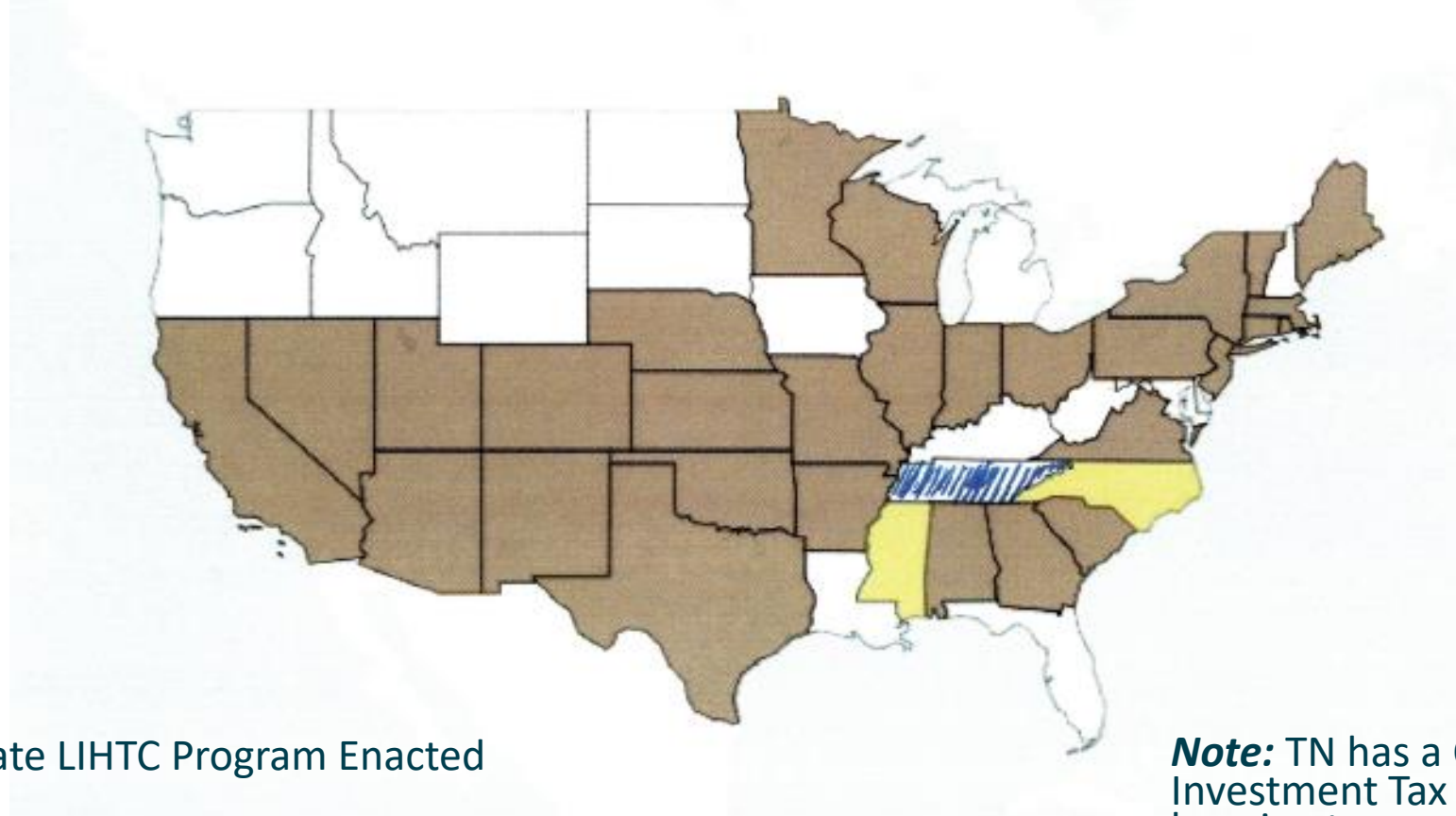





Financing Plan Continued...

- \$24M in private investment through equity and debt leveraged by housing tax credits and bonds.
- \$9M in mortgages and private donations.
- \$5M in investment from the City of Lexington (federal and local funding).
- \$5M in additional federal funding/grants through Kentucky Housing Corporation.
- **\$10M in state funding for immediate infrastructure.**



States with Housing Tax Credit



-  State LIHTC Program Enacted
-  State LIHTC Program Proposed
-  No State LIHTC Program

Note: TN has a Community Investment Tax Credit like a housing tax credit but targets the lending process.



Barriers to Homeownership for Communities of Color

- Rising home prices and lack of inventory
- Capital for down payment and closing costs
- Access to credit
- Understanding and information about the homebuying process
- Continued housing discrimination



Investing and Advancing Homeownership

- Increase investment in the Affordable Housing Trust Fund and Rural Housing Trust Fund
- Homeownership Focused Tax Credits
- Bold, collaborative, and comprehensive



State Policy Recommendations

- Support local banks and urge regulators to recognize Community Reinvestment Act credits for affordable housing projects through collaborative investment funds.
- Renew investment in new market tax credit program to help banks deploy capital to housing projects.
- Extend the time-period for historic tax credit programs to allow for project completion.



State Policy Recommendations

- Create new Kentucky Low Income Housing Tax Credit to increase access to housing capital for developers.
- Increase investment in the Kentucky Affordable Housing Trust Fund/Rural Housing Trust Fund.
- Expand access to state housing funds for workforce housing projects.
- Consider state tax credit program to support contributions to affordable housing organizations.

