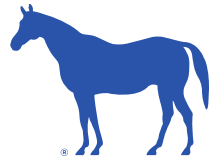


# ADDRESSING HOUSING NEEDS IN LEXINGTON

*Mayor Linda Gorton*

*Presentation to Kentucky Housing Task Force*

*Monday, August 26, 2024*



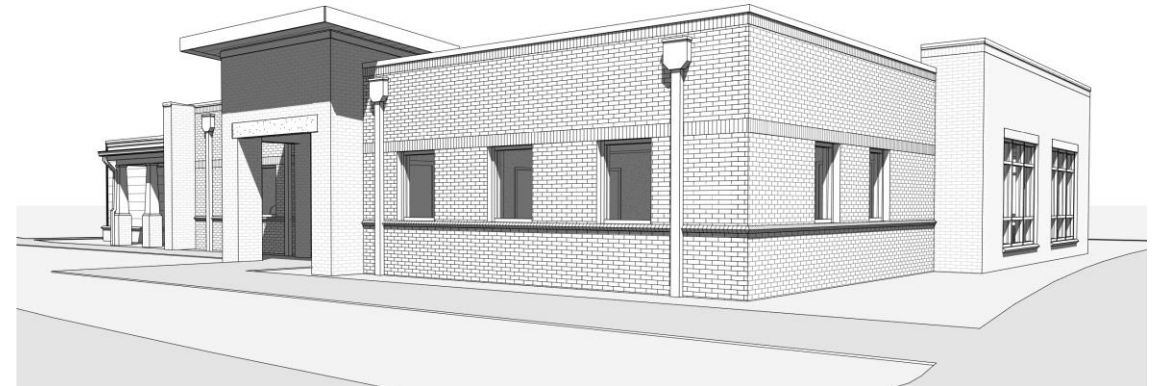
**LEXINGTON**

## Housing and Economic Development

- Housing issues are complex and challenging.
- Housing is one of the foundations of any strong community.
- Housing affordability and availability are essential to attracting new employers and growing Lexington's workforce.
- Essential to economy in both rural and urban areas.

### Using Economic Development Tools to Grow Housing Stock:

- **TIF projects** – Midland Ave., The Summit, City Center and High Street
- **Davis Park – Land Trust**
- **Infrastructure Fund**



*Workforce Center co-located in Davis Park Affordable Housing Development*

## Housing in Lexington

- In Lexington, there are different types of affordable housing that are designed to meet different needs:
  - “Subsidized housing” for residents of the lowest income, including many low-income seniors
  - Subsidized “**workforce housing**” for the working poor
  - “**Housing that is affordable,**” often for those buying their first homes





## Subsidized Affordable Housing and Workforce Housing Facts

- In 2014, the Urban County Gov't established **Lexington's Affordable Housing Fund**.
  - **\$48,295,035** has been invested locally
  - **\$430 million** has been leveraged from public and private sources to fund construction and preservation of **3,504** safe, clean, subsidized affordable housing units.
- Affordable housing can offer a variety of wrap-around services, depending upon the development.



## Resident Statistics

*Average Rent and Annual Income Based on Units Placed in Lexington Affordable Housing Program*

Unit Type	Average Rent Paid
Studio	\$541
1 bedroom	\$570
2 bedroom	\$790
3 bedroom	\$820

*Average Annual Household Income within Lexington Affordable Housing Program: \$22,575*

*\*As of 2024 – based on compliance reviews*

## What We're Doing to Make Housing More Affordable

Data and research driven approach to improve the availability of all kinds of housing that is affordable for all.

### Housing study – What is our Gap?

- Lexington-Fayette County is conducting a housing needs assessment to get a clear picture of local housing needs.
- Good statistics are critical to understanding our housing needs.
- Expected to identify needs across the entire spectrum.





## Urban Services Boundary Expansion

June 2023- Urban County Council voted to approve the expansion of Lexington's urban service boundary.

Lexington's Planning Commission recommended **2,800-acre expansion** in five locations across Lexington-Fayette County.

- Per Council's direction, this expansion is specially aimed at increasing the availability of housing.
- Master plan calls for between 17,067 and 26,677 new dwelling units, which would ultimately provide housing for between 59,000 and 78,000 residents.
- Last expansion took place in **1996** and included approximately 5,300 acres. Of that, approximately **2,940 acres remain to be developed today.**

## Changes made to zoning laws to support housing growth

- Created generous workforce and affordable housing density bonuses.
- Expanded housing types permitted in some zones, including workforce housing.
- Reduced minimum lot sizes, established maximum lot sizes, and reduced setback to improve land use efficiency.
- Increased allowed building heights in medium and high-density zones.
- Required variety in housing types to address workforce housing.
- Removed zoning barriers to neighborhood-serving businesses uses.





## Our Financial Commitment to Affordable Housing

- **1% of City's General Fund** is dedicated to affordable housing. Nearly \$5 million in FY25 budget.
- Created **Department of Housing Advocacy and Community Development**.
- **Housing advocates hired** to help predominately low-income residents find housing.
- **Housing Repair Assistance Program** – helps low-income homeowners make repairs to resolve Code Enforcement violations, like loose gutters, damaged roof coverings, etc.
- **Emergency Financial Assistance Fund** – provides emergency assistance to prevent eviction or utility service disruption.

## Recommendations

- Consider ways to grow developer core, especially within affordable housing.
- Consider investments in state revolving loan funds for market rate and affordable housing projects.
- Explore state affordable housing tax credit concept with the legislature to offset cost of development.
- Work with the legislature to design land bank concepts (like Davis Park) to make more property within urban service boundaries accessible to housing.
- Work with the legislature to review statutes and regulations that may expedite housing projects.

# Questions?



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