

KENTUCKY HOUSING TASK FORCE

Minutes of the Third Meeting of the 2024 Interim

August 26, 2024

Call to Order and Roll Call

The third meeting of the Kentucky Housing Task Force was held on August 26, 2024, at 1:00 PM in Room 171 of the Capitol Annex. Representative Susan Witten, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills Co-Chair; Representative Susan Witten Co-Chair; Senators Julie Raque Adams, Jimmy Higdon, and David Yates; Representatives Kevin D. Bratcher, Randy Bridges, Lindsey Burke, and Mike Clines.

Guests: Mayor Linda Gorton, Charlie Lanter, Keith Horn, Kevin Atkins, and Tyler Scott, Lexington-Fayette Urban-County Government; Myron Lewis, Elliott County Judge/Executive, Elliott County; and Keith Brown, Attorney, Pike Legal.

LRC Staff: Mark Mitchell, Christina Gordley, and Cheryl Walters.

Approval of Minutes

Upon the motion of Senator Raque Adams, seconded by Senator Mills, the minutes from the July 29, 2024 were approved.

Discussion by Local Officials concerning Housing Issues in their Communities

Mayor Linda Gorton, Lexington-Fayette Urban-County Government (LFUCG), discussed Lexington's programs and efforts to address housing issues in Fayette County. She noted the connection between housing and the economy, differentiated between the different types of affordable housing, discussed Lexington's efforts toward funding affordable housing and studying its extant housing, the potential location of future housing, and changes to zoning ordinances. Mayor Gorton provided recommendations for partnering with the General Assembly to improve housing stock which included growing the number of developers, making investments in state revolving loan funds, exploring housing tax credits, augmenting land banks, and amending state law to expedite the building of housing.

In response to a question from Representative Witten, Keith Horn, Commissioner of Planning and Preservation for LFUCG, stated that the most recent changes made to Lexington's zoning laws occurred at the end of June. Lexington has not yet seen any results due to the zoning law changes but expect to with the urban service boundary expansion.

In response to a question from Representative Bratcher, Mayor Gorton stated that Lexington is currently doing an assessment to see how much housing is needed. Lexington is short of housing and putting resources into affordable housing.

In response to a question from Representative Bridges, Mr. Horn stated that developers putting in qualified housing get to build in densities of the next highest density zone without having to apply for a zone change.

In response to a question from Senator Higdon, Mayor Gorton noted that the \$5 million of Lexington's money is used to leverage additional funds. Charlie Lanter, Commissioner of Housing Advocacy and Community Development, stated that Lexington needs every type of housing. Senator Higdon stated that hopefully Lexington's study will show what type of housing is needed as one size does not fit all.

Senator Yates commented that some type of incentive is needed. The legislature can provide tax credits, for example.

In response to a question from Representative Burke regarding 2024 HB 18, which prohibited local governments from passing legislation to prohibit landlords from refusing to accept certain sources of income, Mayor Gorton stated the council, thinking it was the right policy, initiated and passed Lexington's ordinance disallowing landlords to refuse certain income sources prior to the passage of state legislation. However, there has been no discussion about it, because the council is respectful of state legislation.

In response to another question from Representative Burke, Mayor Gorton replied that regarding the 1996 urban services boundary expansion, certain landowners do not want to develop—a property owner must want to develop in the first place, and it is expensive to develop. Lexington will need to install infrastructure before it can build houses.

In response to a question from Senator Mills, Mayor Gorton stated Lexington was not in dire straits yet when employers are looking at ensuring housing for locating in Lexington.

In response to a question from Representative Witten, Mayor Gorton noted that the building industry started its own trade school and has been very successful in attracting tradespersons. Mr. Lanter stated that Lexington's housing study will look at all barriers to the home building workforce including the capacity of available builders.

Elliott County Judge/Executive discussed housing needs from his county's perspective as the economy there is stagnated and as such is affecting government operations and quality of life issues. The \$114 million Little Sandy Correctional Complex project will positively affect Elliott County residents for a generation through the addition of up to 150 new jobs. They will need places to live. The county will need developers to invest money, and the county will need to invest in infrastructure. More residents will lead to quality of life improvements and improvements in government funding.

In response to a question from Senator Mills, Judge Lewis stated that home builders are pivoting to smaller homes in his county in response to what consumers want.

Discussion of Planning and Zoning Laws relating to the Impacts on Housing

Keith Brown, Attorney with Pike Legal, gave an overview of public policy for housing in the Commonwealth that involves many issues which are intertwined with planning and zoning. He noted the character of zoning in Kentucky, discussed the way local governments zone for residences, explained the comprehensive plan process and zoning map amendment process as well as the subdivision of land. In addition, Mr. Brown explained how planning and zoning boards make land use decisions and how those decisions can be appealed. He concluded his discussion with some ideas for consideration relating to changes in KRS Chapter 100 that could lead to procedural changes for local governments effecting planning and zoning.

Senator Mills commented that the key to zoning is that it is administered locally.

There being no further business, the meeting was adjourned at 2:15 p.m.