

Lexington's Transformational Housing Affordability Partnership



Kentucky Housing Supply Gap

Fayette County

Fayette

Choose a county from the list or click on the map to see supply gap needs.

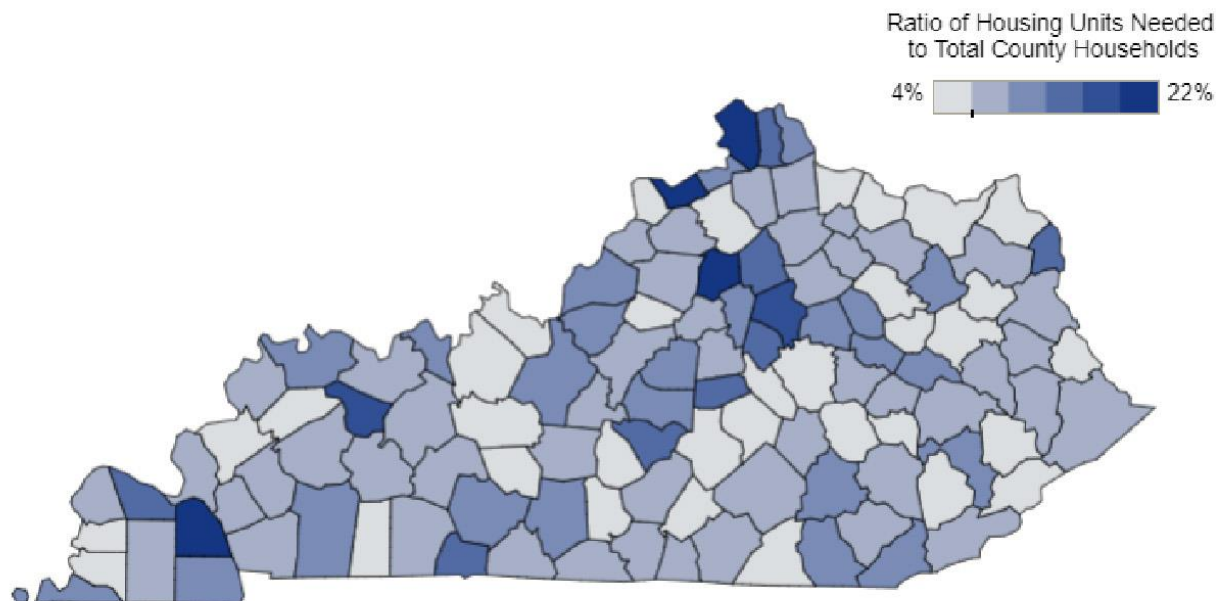
Current Housing Gap

Total Housing Units Needed

22,549

Total Rental Units Needed: 14,423

Total For-Sale Units Needed: 8,126



Lexington's Challenges:

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



Year-Over-Year Increase in Median Sale Price



Unique Housing Partnership



LEXINGTON



Lexington Housing Authority



Local Banks Create Capital Investment Loan Fund

- \$3M in start-up capital from 5 local banks
- Purchase land in partnership with affordable housing developers
- 80% AMI Deed Restricted
- No interest loan
- Banks eligible for Community Reinvestment Act Credit



Affordable Housing Developer Partnership

- AU Associates, Winterwood, Habitat for Humanity, Urban League of Lexington, Lexington Housing Authority
- Serving 30-80% Area Median Income



Project Overview

- The current site plan includes **242 total units.**
- 29 detached units and 33 townhouse single family units (62)
- 84 garden style units and 96 senior multi-family units (180)



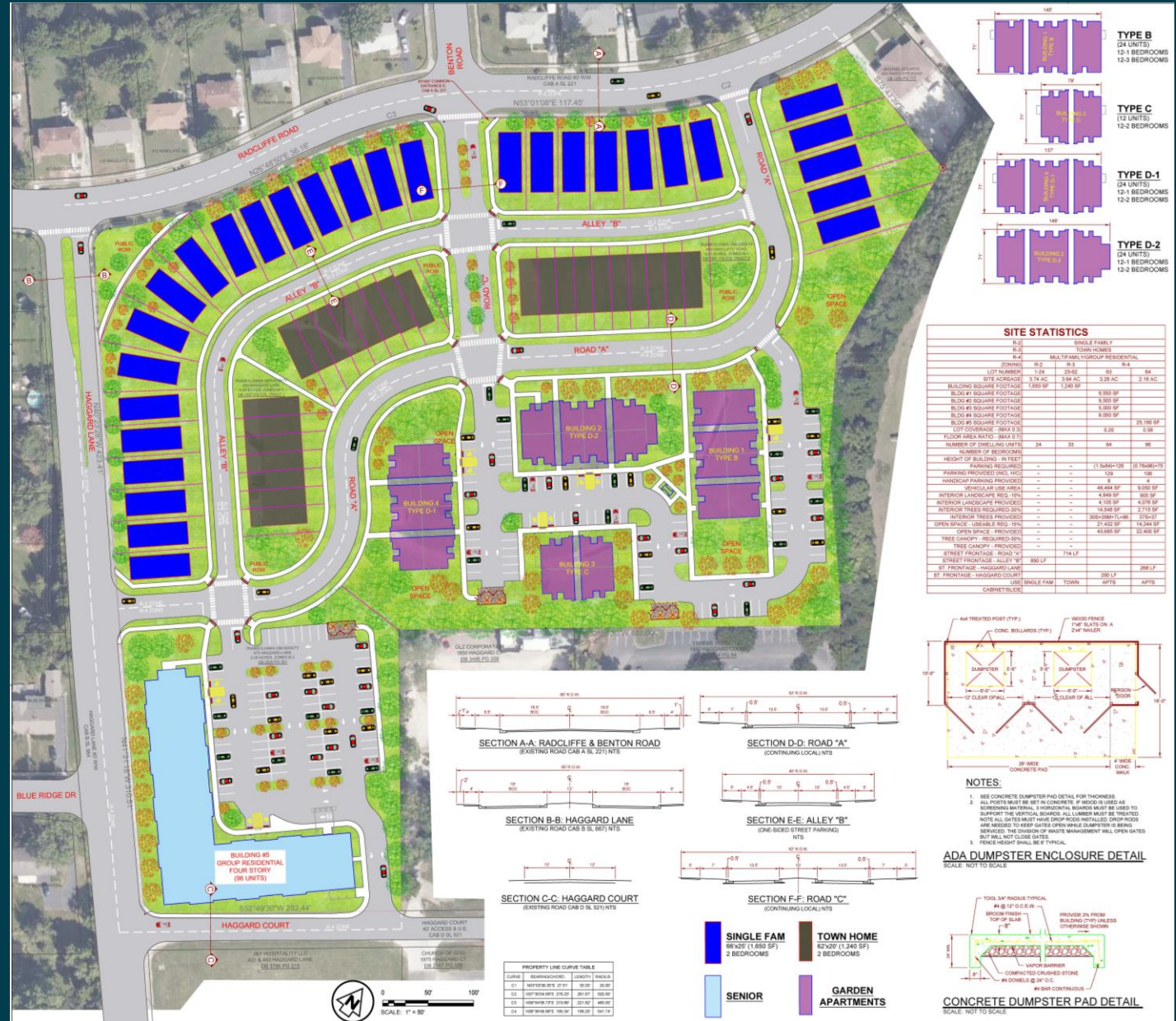
Project Timeline

April 2024:
\$10M Allocated from KY General Assembly

May 2024 – Aug. 2025:
Site Design & Community Engagement

May 2024 – Nov. 2025:
Zone Change, Permitting Processes
Development Plan Certification

Nov. 2025-Spring 2026:
Land Purchase, Site Infrastructure, Multi-Family Construction









Project Financing:

- \$10M in state funds leverages \$64M+ in total investment (tax credit equity, private loans, additional City of Lexington housing funding, and KY Housing Corporation funding).
- \$10M in state funding expedites site-readiness infrastructure to accelerate meeting affordable housing needs.



State Policy Recommendations

- **Affordable/Workforce Housing:** Support banks creating a \$20M statewide capital fund to support affordable housing projects and the state offering effective tax credit programs that leverage private investment to expand or incentive development in the communities with the greatest need.
- **Residential Infrastructure:** Support establishing housing development districts and/or providing financing options to local governments, working with home builders, for residential infrastructure developments.
- **Regulatory & Process Reforms:** Avoid policies that increase costs for homebuilders and buyers.

