

Central Kentucky Council for Peace and Justice
Housing Justice Project

Dear Mayor Gray and members of the Lexington/Fayette Urban County Council;

- 1) Whereas, according to the CZB study commissioned by the city in 2014, our basic affordable housing shortage was about 6,000 units at that dateⁱ while the study projected that Lexington would lose around 400 more units of affordable housing annually in the near future;
- 2) And whereas the Office of Affordable Housing, established by the city in 2014, is currently facilitating the building or rehabilitation of 400-500 affordable units a year;
- 3) And whereas that number of new or rehabbed affordable housing units brought on line annually only roughly equals the number lost annually and still leaves the city at least 6,000 affordable housing units short;
- 4) And whereas according to an August 29th 2016 *Herald-Leader* article, the population of Lexington is expected to grow by more than 81,000 over the next 20 years, or 26%, a population increase that will put additional pressure on area housing prices and affordable housing availability;
- 5) And whereas a number of large affordable rental complexes are scheduled to “age out” of their HUD subsidy restrictions and an appreciable percentage of these will be turned into market rate units and, thus, lost as affordable housing;

Therefore, the undersigned organizations and individuals strongly urge that you double the amount of funding allocated to the city’s Office of Affordable Housing to \$4 million annually.

- This is the amount proposed for this purpose in the original 2010 proposal and it is a sum validated by an independent study commissioned from Commonwealth Economics by the city at that time.
- As the 2014 CZB study made clear, increasing the allocation for the Office of Affordable Housing by \$2 million annually will not close the city’s affordable housing gap; that would require a much larger commitment. However, it is a valuable step in that direction and a useful means of highlighting the continuing need for affordable housing creation.

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Adopting this measure would continue the progress the city has made by establishing the Office of Affordable Housing and the Office of Homelessness Prevention and Intervention and by incrementally raising the minimum wage.

Therefore, we the undersigned ask that LFUCG increase the funding for the Office of Affording Housing to \$4 million annually.

The following organizations have endorsed this proposal and asked that their names to be added to this document to signify that fact:

Central Kentucky Council for Peace and Justice
Community Action Council
Community Ventures
East End Community Development Corp
Central Kentucky Housing and Homelessness Initiative (CkHHI)
Lexington NAACP
Lexington Fair Housing Council
Lexington Human Rights Commission
Lexington Community Land Trust
Kentuckians for the Commonwealth
The Justice Ministry Team of Second Presbyterian Church
Nia Urban Ministries Inc.
Temple Adath Israel
Urban League of Lexington
Catholic Action Center
Institute for Compassion in Justice
Kentucky Equal Justice Center
Habit for Humanity
Catholic Diocese of Lexington
Fayette Alliance

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ⁱ “Roughly 15,000 low income households need housing in Lexington. Of them about 9,000 now receive assistance or are accommodated by the private market. This leaves about 6,000 households, most of whom include at least one worker, unable to find decent housing on the open market in Lexington at rates considered affordable.... Consequently, these 6,000 working households either overpay or live in substandard conditions.” Another way of viewing the need for affordable housing in Lexington is that adopted by the five-year Consolidated Plan, which forms the basis for LFUCG’s application for federal Housing and Urban Development (HUD) Community Block Grant funds. It defines the effects of our affordable housing shortage in the following way:

Approximately 18,000 households are severely cost burdened, meaning that they pay greater than 50% of their income for housing, and most of these households are at or below 30% of area median income.

The programs funded with the HUD grant are largely designed to ameliorate this problem, but they are on much too small a scale to do more than nibble at its edges. The Mosaic Consulting report “2016-2021 Analysis of Impediments to Fair Housing Choice” urges LFUCG to begin doing truly integrated planning to meet the city’s affordable and fair housing needs. It also makes clear that the city will need to dedicate more of its own money to solve its problems. Doubling the amount available to leverage and subsidize the construction and rehabilitation of affordable housing is something we can do now to increase the rate at which we eat into our affordable housing gap while we are in the process of creating the commission and doing the long term, comprehensive study called for in the Mosaic report.