

The Fayette Alliance

Vision Statement, Infill Policy Guidelines and Recommendations

November 2008

Draft #4

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Note** *The following Fayette Alliance vision, infill policy guidelines, and infill policy recommendations are starting points in addressing several important land use issues, and may be subject to change upon further community discussion, review, and refinement.*

I. Vision

The Fayette Alliance’s vision for Lexington-Fayette County builds on its history as the “Athens of the West”, while advancing a future that ensures a high quality of life for all of its citizens. In this vein, Lexington-Fayette County will strengthen its role as the commercial, educational, and cultural epicenter of the Bluegrass Region.

This vision includes a vibrant city surrounded by productive farmland.

To achieve this vision, Lexington-Fayette County will:

Protect its prime farmland for agricultural use by both the equine and general agricultural industries, while promoting its signature Bluegrass landscape for the pride and enjoyment of the entire community and in furtherance of developing cultural tourism;

Secure the infrastructure necessary to achieve appropriate environmental conditions vital to the health and happiness of every Fayette County citizen, including requisite facilities, and sanitary sewer and stormwater systems.

Vigorously pursue innovative infill and re-development opportunities to secure long-term economic development, adequate affordable housing, appropriate historic preservation, efficient public transportation, and needed greenways.

Thereby establishing Lexington-Fayette County as one of the visionary municipalities of the modern era.

II. Infill Policy Guidelines

In furtherance of the above stated vision, the Fayette Alliance will adhere to the following guidelines in making policy recommendations:

- Promote policies that can be realized in the next 3-4 years.
- Promote policies that will reduce costs for infill redevelopment, while benefiting the entire Lexington-Fayette County community.

- Promote policies that will provide real solutions to problems without “shifting the cost” from one community interest to another.
- Promote policies that will increase access to affordable housing. Affordable housing is a housing cost that does not exceed 120% of median income.
- Promote policies that will facilitate environmentally sensitive, energy efficient, and sustainable development.

III. Infill Policy Recommendations

i. Scope of Infill-Redevelopment in Lex.-Fayette County

The scope of Infill Redevelopment should be within the entire Urban Service Area-not just downtown. Under this approach, infill redevelopment opportunities are maximized, and take form in a manner that preserves the essential character of existing neighborhoods, ensures adequate infrastructure, and protects historic overlays and PDR easements in four areas of Lexington-Fayette County:

- a. Downtown urban core
- b. Areas contiguous to U.K. Campus
- c. Areas just outside downtown urban core and U.K. Campus to New Circle Road.
- d. New Circle Road to edge of Urban Service Area.

ii. LFUCG Infill Redevelopment Incentives

1. Establish a land bank authority in which a pool of funds is used to purchase land and buildings to create larger parcels of developable land for redevelopment. LFUCG would administer the program.
 - a. Methods of land acquisition include:
 - i. Acquire property at tax foreclosure sale if no one bids the required minimum;
 - a. Liens for delinquent state, local, and school taxes are automatically extinguished for property acquired at tax foreclosure sale.
 - ii. Acquire property by purchase, gift, or donation;
 - iii. Acquire property by eminent domain-used ONLY to overcome title encumbrances, or other similar issues that can be overcome solely by government action.

- a. The land bank authority itself would not have power of condemnation.
- b. Potential criteria for land distribution include:
 - i. Affordable housing;
 - ii. Sustainable development;
 - iii. Active use of the property- purchaser cannot acquire it for investment purposes only (no “spec” development).
 - iv. Follow “PDR Model” of objective ordinance criteria and administration.
- c. Related tools:
 - i. Vacant and Abandoned property program

Source: LFUCG Downtown Development Authority, 2008.

2. LDDA must work with banks to create loan programs that have higher “loan to value” amounts for urban infill projects.
3. Considering economic feasibility, create a 5-year moratorium on property taxes for any new development (rehab, new construction, or both), that is transferable to new owner (upon purchase) for the remaining balance of time.
4. Develop and adequately fund program to condemn vacant and abandoned properties for infill redevelopment including but not limited to mixed-use, commercial, residential, and affordable housing projects.

Abandoned Urban Property is any vacant structure or vacant/unimproved lot or parcel of land in a predominantly developed urban area which has been vacant or unimproved for at least one (1) year, AND which:

- a. Is unfit for its intended use because it is dilapidated, unsanitary, unsafe, vermin-infested, or poses a danger to public health and safety; OR
- b. By reason of neglect or lack of maintenance has become a place for the accumulation of trash and debris; OR
- c. Has become tax delinquent for a period of at least three (3) years.

Property classified as Abandoned Urban Property is established as a separate classification of real property taxes, which is increased to three-fold increase in tax rate.

Property owners whose property has been classified as abandoned Urban Property have the right to submit an appeal, by writing to the proposed LFUCG Vacant Property Review Commission if they feel their property did not meet the criteria during the tax year in question. *Source: Louisville Housing Authority*

5. Hire downtown development coordination support staff in LFUCG Planning Department. Staff would have specific responsibilities relating to all approval functions for infill projects at Planning Commission, Board of Adjustment, Board of Architectural Review, Building Inspection, Engineering, Sanitation, Traffic Engineering, Code Enforcement, etc. It would also educate the public about urban development, etc. Members of this staff should be hired from other cities that have advanced beyond Lexington in terms of infill redevelopment and urban planning.
6. Re-establish an “enterprise zone”. An Enterprise Zone is a specific geographic area targeted for economic revitalization. Enterprise Zones encourage economic growth and investment in distressed areas by offering tax advantages and incentives to businesses locating within the zone boundaries.
7. Aggressively pursue and use New Market Tax Credits (NMTCs) to finance infill projects in Lexington.
 - a. NMTCs provide low-interest loans to and capital investments in non-residential infill projects. Generally, these infill projects must be located in underserved areas to qualify for NMTC investment. Downtown Lexington is a qualified area.
 - b. Community Development Entities (CDEs) are privately managed investment institutions that sell NMTCs to investors. The investor receives an income tax break for investing in the CDE, the CDE has capital to provide low-interest loans to developers on qualified NMTC projects.
 - c. Community Ventures Corporation (CVC) administers NMTCs in Lexington. The U.S. Treasury recently awarded \$45 million to the CVC, however it is unclear what portion of these NMTCs will be available in the Lexington market.

Source: www.impactseven.org/NMTC_FAQ.htm;
“NMTC Opportunities Avail. To Local

Developers”, Business Lexington, November 16, 2007.

8. Give regulatory and/or financial credits to infill developers that provide churches, retailers, entertainment vendors, and off-hour users with parking or parking garages; use huge surface parking lots for new development.
9. Establish a property tax “freeze” in which urban property, located inside the 1937 Sanborn Infill Boundary, is kept at pre-development value for 5 years after construction. This freeze would facilitate a major downtown migration.
10. Establish a public art program by creating a privately funded Lexington Art Foundation. Private and public funds could be leveraged for art projects and programs.
11. Pay for infrastructure improvements by establishing a super Tax Increment Financing (TIF) district. TIFs allow investors to recoup money from various taxes to help offset construction costs. Used in \$465 million Museum Plaza project in Louisville, and projects in Northern Kentucky.
 - a. Infrastructure includes:
 - i. Street construction and repair
 - ii. Curb, gutter, sidewalk repair, replacement, and new construction
 - iii. New distinctive streetlights
 - iv. Streetscape enhancements-pavers at intersections, sidewalks, street signs, street furniture.
 - v. Burying or relocation of overhead utilities, including condemnation of easements where necessary, paid for by proceeds from franchise fees.
 - vi. Repair or replacement of storm and sanitary sewer facilities and cost of connections to new developments.

iii. LFUCG Affordable Housing Programs & Initiatives

1. Establish a comprehensive affordable housing initiative in Lexington-Fayette County. Implementation will include:
 - a. Adopting a zoning ordinance that effectively incentivizes developers to construct affordable housing units in their infill projects.
 - i. 10% of units in the development should be affordable.

- ii. Affordable housing is up to 120% of Average Median Income (AMI). The Kentucky Housing Corporation defines affordable housing using this formula.
 - iii. Incentives will include:
 1. Density bonuses
 2. Fee Waivers
 3. Expedited Permitting
 4. Ability to mix housing types
 5. Reduced parking requirements or public financed assistance via LFUCG Parking Authority
 6. Sustainable materials or progressive design standards
 7. Tax abatements: targeted reductions or eliminations of local taxes-usually property taxes

- b. Expanding the jurisdiction of the Lexington Community Land Trust.
 - i. A community land trust (CLT) is an independent, non-profit organization that provides affordable housing, in perpetuity, to low-middle income residents.
 - ii. A CLT holds the land in trust, and conveys the home through a long-term lease. By owning the land, the CLT takes expensive real estate costs out of the equation and sells or resells a home at an affordable price.
 - iii. The Lexington Community Land Trust currently controls land in the Davistown neighborhood. It will provide affordable housing to residents affected by the Newtown Pike Extension Project.

- c. Utilizing available housing credit programs administered by KY Housing Corporation.
 - i. I.E. Louisville Housing Credit Program: Administered by the Kentucky Housing Corporation (KHC), it is a financing mechanism widely utilized to help fund the development of permanent, affordable rental housing throughout KY and U.S. Program uses federal investment tax credits for specifically approved housing developments. Two key provisions of the housing credit program ensure that the housing units

developed meet a community's need for safe, decent, affordable housing. This is achieved by:

1. Imposing maximum rent limits on any units assisted with the tax credits
2. Limiting the occupancy of any unit assisted with the tax credit to households with incomes at or less than 60% of the Area Median Income adjusted for family size.

These rent and household income guidelines are adjusted annually, and are created to allow a resident to live anywhere in Louisville.

Louisville strongly encourages Housing Credit Program developments to serve a mixed-income population and, unless they meet a special need (i.e. senior housing), is not located in areas that contain undo concentrations of lower income persons or pockets of poverty.

As part of its review and approval process, KHC requires all applicants to submit a letter of endorsement from the highest official of local government in which a proposed development will be located. Prior to considering the endorsement of any specific development, Louisville Metro Housing and Community Development (LMHCD) first advises the mayor and the metro council person of each housing credit program proposal received, and then performs a thorough review and analysis of each proposed housing development.

Several topics are considered:

- Character and prior history of the developer and the investors
- Design of proposed of development
- Availability of supportive infrastructure and services
- Consistency of the proposed development with existing

neighborhood plans and the Comprehensive Housing Strategy

- Financial feasibility
- Project management plan.

Source:

www.louisvilleky.gov/Housing/Housing+Credit+Program.htm

- d. Establish an investor loan program.
 - i. **I.E. Louisville Investor Loan Program:**
Provides below market rate loans to investors for the purpose of acquisition, new construction, and rehabilitation of vacant or occupied properties. The program helps to expand the supply of decent, safe, sanitary, and affordable rental housing throughout Louisville.

Investors will submit an application and all necessary documentation for staff to determine the feasibility of the project.

The written agreement with the investor states:

- Program requirements for use of funds (i.e. terms of the loan, affordability period, etc.)
- Project requirements (i.e. monitoring, housing quality standards, code enforcement provisions, etc.)
- Methods of disbursement and repayment.

Source:

<http://www.louisvilleky.gov/Housing/Investor+Loan+Program.htm>.

iv. Sanitary Sewer, Stormwater, Water Quality, Infrastructure

1. LFUCG must expeditiously comply with the requirements and spirit of 1973 Clean Water Act in all its governmental functions. Further, LFUCG should effectively and efficiently ensure that community interests comply with the requirements and spirit of the 1973 Clean Water Act in ALL its activities (i.e. development)- so as not to exacerbate current stormwater and sanitary sewer problems. These

efforts should result in federally compliant water quality standards in Lex-Fayette County.

v. Corridors, Urban Renaissance, Parks

1. Establish ordinances that facilitate the expeditious implementation of local and state view shed improvement plans or projects for the following corridors:
 - (1) Newtown Pike, including but not limited to Main Street to New Circle Road.
 - (2) Winchester Road, including but not limited to Midland Avenue to New Circle Road.
 - (3) Versailles Road, including but not limited to downtown to New Circle Road.
 - (4) Old Frankfort Pike, including but not limited to Manchester Street to Alexandria Road.

If there are no local or state view shed improvement plans or projects for the aforementioned corridors, establish ordinances that will facilitate cooperation between local and state agencies to improve the view shed of the subject corridors.

View shed improvements would include, but not be limited to, constructing mixed-use development projects with sophisticated context-sensitive design, treescapes, green spaces, and cultural icons-i.e. stonewalls, etc.

2. Establish ordinances that create an Urban Entertainment District. Components include: Arenas, performing arts centers, or stadiums, movie theatres, restaurants, specialty retail, festivals, arts, and night clubs.
Source: Turning Around Downtown: Twelve Steps to Revitalization, Christopher B. Leinberger, The Brookings Institution-Metropolitan Policy Program.
3. Implement Downtown Master Plan that calls for completion of Vine Street Linear Park before the 2010 World Equestrian Games, so visitors will have an amenity to visit in downtown. A place to showcase the heart of our city, and to create a catalyst for re-development in neglected corridor of downtown.

vi. Development Design

1. Implement the LFUCG Downtown Master Plan. See www.lexingtondda.com/DMP-doc.htm

2. Historic preservation and neighborhood design requirements (ND-1 and proposed ND-2 designations) should be streamlined and **STRONGLY** implemented in LFUCG land-use codes and zoning ordinances-so as to maintain neighborhood character and quality of life in infill-redevelopment projects. Create a “win-win” situation for neighborhood advocates and developers alike.
3. Return as many downtown streets as possible to 2-way to make them more pedestrian friendly.

vii. Transportation, Parking

1. Review ordinances to encourage increased bike usage, and construct bike-lanes, where practicable, on all major thoroughfares in Fayette County. See MPO Bicycle and Pedestrian Master Plan.

viii. Streetscape

1. Adopt and implement the LFUCG Streetscape Master Plan. See www.lfucg.com/LFUCG/LexingtonStreetscape.pdf.
2. Incorporate the American Planning Association’s recommendations for “Great Streets” in applicable LFUCG zoning ordinances and programs.

Characteristics of a Great Street:

- a. Provides orientation to its users and connects well to the larger pattern of ways.
- b. Balances the competing needs of the street—driving, transit, walking, cyclings, servicing, parking, drop-offs, etc.
- c. Fits the topography and capitalizes on natural features.
- d. Is lined with a variety of interesting activities and uses that create a varied streetscape.
- e. Has urban design or architectural features that are exemplary in design.
- f. Relates well to its bordering uses—allows for continuous activity, doesn’t displace pedestrians to provide access to bordering uses.
- g. Encourages human contact and social activities.
- h. Employs hardscape and/or landscape to great effect.
- i. Promotes safety of pedestrians and vehicles and promotes use over the 24-hour day.
- j. Promotes sustainability through minimizing runoff, reusing water, ensuring groundwater quality,

minimizing heat islands, and responding to climatic demands.

- k. Is well maintained, and capable of being maintained without excessive costs.
- l. Has a memorable character.

Source: Planning, American Planning Association, January 2008.

- 3. Adequately fund program to plant street trees in city.
- 4. If feasible, secure federal, state, and local government funding to improve sidewalks and streetscape lighting.

ix. Regulatory Process

- 1. Historic preservation and neighborhood design requirements (ND-1 and proposed ND-2 designations) should be streamlined and **STRONGLY** implemented in LFUCG land-use codes and zoning ordinances-so as to maintain neighborhood character and quality of life in infill-redevelopment projects. Create a “win-win” situation for neighborhood advocates and developers alike. Public notice and involvement should be strongly implemented in the planning/development process.
- 2. Implement principles of ND-1, ND-2, PUD-2, MU-1, MU-2, MU-3 zone as articulated in I/R ZOTA. Details to be determined as community dialogue and LFUCG discussions unfold.
- 3. Have LFUCG streamline its approval process and have all departments coordinated with specific approval time frames. Applicable department standards, regulations, processes should complement-not contradict one another. Consensus between LFUCG departments is essential. Public notice and involvement should be strongly implemented in the planning/development process.
- 4. Have the LFUCG clarify its permitting and approval process so it is clear what/when is required, and under what time frames.
- 5. Permitting priority- any project in downtown area gets “fast-lane” treatment for permitting; moves ahead of other projects; no delays; this costs city \$0 but saves developers a lot of money...especially downtown developers who have

much more money tied up in their land than their suburban counterparts.

6. Reduce front yard, side yard, and back yard setbacks in the downtown area-subject to appropriate design review.

II. Wish List

1. Retrofit bus-waiting stations with roofs and public art. Bring pride back into riding the bus.
2. Paint LexTran bus exteriors with jockey silks, or other bluegrass themes to promote brand.