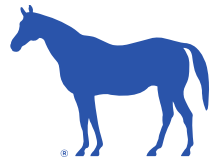


# AFFORDABLE HOUSING FUND REPORT

*Richard McQuady, Affordable Housing Manager*

*Social Services & Public Safety Committee*

*April 14, 2026*



**LEXINGTON**



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## **Affordable Housing**

- Affordable Housing is defined as housing that costs no more than 30% of a household's income. Housing costs include rent, utilities, mortgage payments, taxes, and insurance.
- Includes multifamily and single-family housing units
- LFUCG's Affordable Housing Fund, like Federal housing resources is designed to serve households whose incomes are at or below 80% of area median income.
- Workforce Housing is a type of affordable housing designed for households whose income is between 81% and 120% of area median income.



## Area Median Income---2025

Household Size	80% of AMI	60% of AMI	50% of AMI	30% of AMI
1	\$57,350	\$43,020	\$35,580	\$21,500
2	\$65,550	\$49,200	\$41,000	\$24,600
3	\$73,750	\$55,313	\$46,100	\$27,650
4	\$81,900	\$61,440	\$51,200	\$32,150



## **Purpose of Affordable Housing Fund**

- Leverage public and private investment to preserve and produce safe, quality affordable housing for Fayette County residents whose incomes are at or below 80% of area median income.
- Housing is considered affordable when housing costs are no more than 30% of gross household income.
- Fund's resources are used to reduced debt service costs resulting in lower rents to tenants and lower mortgage payments for homeowners.



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## **Affordable Housing Funding Resources**

- Housing Tax Credit as described in Section 42 of the Internal Revenue Code. Generates Equity in large multifamily developments.
- Private Investment
- Financial Institution Debt
- Subsidy Dollars from Federal (HUD and Federal Home Loan Banks), State (KHC) and Local Government (LFUCG). Subsidy dollars include low-interest loans, forgivable loans, deferred loans and grants.
- Reduced Debt Service results in lower housing costs to tenants/homeowners.

## Affordable Housing Board

- Tiffany Masden
- Mark Yates
- Laura Boison
- Janet Beard
- Christina Dudek
- Jordan Parker
- Adam Zopfi
- Whitney Baxter
- Andrew Walker
- Barry Holmes
- Jordan Lloyd
- Amy Beasley
- John Atchison



## **Application Process**

1. Initial contact and review of program guidelines
2. Application submission and review
3. Technical submission
4. Board of Directors review
5. Pre-Construction conference and closing
6. Construction and placed in service/Inspections
7. Compliance monitoring
8. Loan Servicing/Asset Management



## **Evaluation Criteria**

- Need/Market
- Design of Development
- Financial Feasibility
- Capacity of Development Team
- Readiness to Proceed



## **Funding Data:**

Fiscal Year 2015-2026	\$36,065,705
ARPA Funds (SLFRF)	\$17,126,790
Loan and Fee Receipts	\$ 9,074,388
Funding Commitments	\$59,021,902
Units Funded	3,826
Funding Per Unit	\$15,474
Outside Funding	\$ 474,013,813
Office Administration	\$1,719,322



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## Fund Activity—General Fund and SLFRF

### **Allocations**

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Amortizing loans	\$28,586,560
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Forgivable loans and grants	\$30,435,342
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<b>Total Allocations</b>	<b>\$59,021,902</b>
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Affordable Housing Fund Allocation Per Unit (3,826 Units)	\$15,474
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Note: Once all approved units are placed in service, projected annual loan receipts from SLFRF and General Fund loans will be \$885,000 (assumes cash flow from some housing credit developments as projected in underwriting model).

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## **Fund Activity—SLFRF**

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### **Allocations**

Amortizing loans	\$ 9,985,988
Forgivable loans and grants	<u>\$ 7,140,802</u>

**Total Allocations** \$17,126,790

SLFRF Allocation Per Unit  
(696 Units---all at or below 60% of AMI) \$ 24,607

363 units housed those at or below 50% of area median income  
34 units of permanent supportive housing  
45 fully accessible units for seniors ages 55 and over



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## **Affordable Housing Units-General and SLFRF**

### **Units**

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Affordable units preserved	1,246
Existing units preserved and restricted for affordable housing	660
New affordable housing units constructed	1,920
<b>Total units funded or under construction</b>	<b>3,826</b>



## Number of affordable housing units and maximum allowable incomes

Housing Units	Maximum Allowable Incomes
170	30%
350	50%
2,701	60%
605	80%

84.2% of the units funded are for households whose incomes are at or below 60% of area median income.



## **Current Rents on Proposed Developments**

- 1 Bedroom \$750-\$950
- 2 Bedroom \$800-\$1,050
- 3 Bedroom \$975-\$1,200

Due to increasing rents, the Affordable Housing Board adopted a policy requiring all funded units to maintain rents affordable to households they are serving, but no more than rents that are affordable to households at or below 60% of area median income.



## **Special Needs Populations Housed**

Elderly and/or disabled	1,243
Homeless	118
Veterans	50
Substance addiction	48
Youth (ages 18-24)	6
Mentally and physically disabled	54
Medically vulnerable	26
Severe mental illness	28
Survivors of domestic violence	24
<b>Total special needs units funded (41.7%)</b>	<b>1,597</b>
<b>Permanent Supportive Units Included</b>	<b>244</b>



## **New Developments**

- The Lofts at Woodland—530 East High Street--38 units for seniors (ages 55 and over) with incomes at or below 60% of area median income. Also, preserved historic church building.
- Wellington Park Apartments---3125 Dorchester Place---45 fully accessible units for seniors ages 55 and over with incomes at or below 60% of area median income.
- Freedom Senior Apartments—Nick Loop (was 3743 Red River drive)—Modular Development of 52 units for seniors ages 55 and over with incomes at or below 60% of area median income.



## **New Developments**

- Open Door Housing---517 Addison Avenue—4 units of permanent supportive housing for very low-income and those at risk of homelessness
- The Railyard---1000 Delaware Avenue--- mixed-income development that includes two commercial units. 12 of the 32 units set aside for households at or below 80% of area median income
- 1349 Devonport Drive---Total rehab of 56-unit development. Rehab includes new stairwells, decks, HVAC systems and all housing units
- Palomar Place---1009 Wellington Way—71 units for seniors with incomes at or below 60% of area median income



## **Development Challenges**

- Interest Rates
- Increased Costs of Property Management
- Escalating Construction Costs
- Acquiring Viable and Affordable Land



## **Program Goals for Fiscal 2027**

- Additional Permanent Supportive Housing Units and Units for Households at or below 30% of Area Median Income
- Transylvania Development
- Continue to Address Needs Identified in Needs Analysis

# Questions?



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