

# Task Force on Neighborhoods in Transition

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## Report

June 24, 2021



**LEXINGTON**  
*Urban County Council*

# **Recommendations**

- A. Modification of Existing Programs, Policies & Procedures
  - Planning
  - Community & Resident Services
  - Code Enforcement
  - Affordable Housing
- B. New Programs, Policies & Procedures
  - Education/Outreach
- C. Increase Resources
- D. Support of Recommendations made by the Mayor’s Commission on Racial Justice and Equality – Housing and Gentrification Subcommittee
- E. Identification of Priority Areas to Focus Resources
  - Priority Areas Maps

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The Task Force recommends that resources be dedicated to addressing involuntary displacement. The Task Force has identified four attributes that contribute to a neighborhood’s vulnerability to involuntary displacement: median income at less than 30 percent of area median income; high minority population (non-white); low mean home sale price; and low owner-occupancy rate. Focusing resources in these priority areas will positively contribute to the stability of neighborhoods without preventing positive neighborhood improvements.

## **A. Modification of Existing Programs, Policies & Procedures**

### **Planning**

- 1) The Division of Planning should use the identified priority areas to direct surveys, studies, and/or small area plans that summarize a neighborhood's history, character, and urban fabric.
- 2) Require developers to have community meetings with notice and attendance requirements for zone change requests in priority areas before Planning Commission public hearings.
- 3) Planning should conduct small area plans, surveys, or studies for neighborhoods in priority areas that will experience a direct impact from major local investment by LFUCG for projects of \$5 million and above. These studies should address displacement, social impact, and include an assessment of neighborhoods' history, character, and urban fabric.

### **Community & Resident Services (formally Adult & Tenant Services)**

- 4) Division of Community & Resident Services should dedicate someone to work alongside Code Enforcement to review cases, with a focus in priority areas, to determine if the property owner requires additional resources to address compliance issues, based upon the individual's financial circumstances. Establish a small advisory committee that includes Code Enforcement, the Citizens' Advocate, and the Division of Grants and Special Programs to improve services to assist with this review.

### **Code Enforcement**

- 5) Code Enforcement should create a case closed letter to be mailed to the property owner once Code Enforcement has closed their case. (implemented)
- 6) Create an online portal where tenants/the public can review Code Enforcement citations. (implemented)
- 7) Petition a change in KRS 65.8825 to provide the opportunity for local governments to lengthen the window of time for individuals to appeal notices of violation from Code Enforcement (the amendment could propose "at least seven days").

## Affordable Housing

- 8) Affordable housing projects using the Affordable Housing Fund in priority areas should strive to maintain an affordability rate at 60 percent area median income (HUD FY2019: household income of one is \$31,313; household income of four is \$44,700) to encourage housing costs to more closely align with the respective neighborhood's AMI.
- 9) Charge the Affordable Housing Advisory Committee with monitoring housing affordability and displacement on both a city-wide and neighborhood level.
- 10) Encourage the Lexington Community Land Trust to provide resources for existing homeowners while ensuring long-term housing affordability.
- 11) Identify opportunities to reduce or waive filing and other fees required by LFUCG for affordable housing projects and utilize those opportunities to incentivize affordable housing developments.

## **B. New Programs, Policies, and Procedures**

- 1) Chief Development Officer should work with the city's Economic Development Partners and coordinate with the Division of Purchasing and the Minority Business Liaison to engage Community Development Organizations (CDOs) to focus on resources and opportunities for small businesses in priority areas and build capacity for people and businesses who can participate and apply for government contracts.
- 2) Community Development Organizations should establish and execute Community Benefit Agreements to detail a project's contribution to the community with investors and businesses located in priority areas.
- 3) Create a program/agency that identifies and assists individuals at risk to have their property tax liens sold to third parties. Prioritize low income individuals who live in priority areas.
- 4) Draft a statement that landlords could proactively choose to include in their residential rental agreements (i.e. leases) that says the owner will alert long-term renters (such as five years or more) when they take action to sell the property.
- 5) Support 2018 Comprehensive Plan, Theme A, Equity Policy #5 – *Protect affordable housing tenants through improved Code Enforcement policies* and create a rental registration program that includes inspections.

- 6) Incentivize private developers to set aside portions of developments for quality, affordable housing by advocating for state low-income tax credits, local low-income tax credits, or inclusionary zoning (or equivalent from a positive approach).

### Education/Outreach

- 7) Create a resource guide for neighborhoods to conduct their own assessment of their neighborhood's character, urban fabric, and history.
- 8) Planning should create a pamphlet that briefly describes Lexington's growth strategy, place builder, and the zone change process; something that could accompany the zone change notification letters.
- 9) Grants & Special Programs should improve outreach about the Housing Rehab Program and the Emergency Home Repair Program, including how to access the funding and what the process entails.
- 10) Community & Resident Services should create an overall awareness campaign about all of the services they provide. (in process)
- 11) Encourage local banks to invest and intentionally communicate with residents and businesses about resources that are available in their community (via Community Reinvestment ACT).
- 12) The proposed Department of Housing Advocacy and Community Development should develop a resource guide or navigator for housing issues that outlines all housing-related services LFUCG provides (i.e. foreclosures, code violations, zoning, property taxes, liens, etc.) and work with the Fayette County Neighborhood Council to make available to the community.

## C. Increase Resources

- 1) Division of Grants and Special Program should increase funding for the Housing Rehab Program to allow for more low-income families to participate in the program and shorten the wait time. (additional funds were budgeted FY2021)
- 2) Amend Ordinance 103-2014 by increasing the amount of funding to be designated each fiscal year to the Affordable Housing Fund from \$2 million to \$3 million in FY2022 and identify a dedicated funding source for the Affordable Housing Fund that can grow with the needs of the community.

- 3) Designate a new position in the proposed Department of Housing Advocacy and Community Development that reports directly to the commissioner and is responsible for:
  - a. Staffing an on-going advisory committee for housing (composed of members from the Task Force and from the Commission on Racial Justice and Equality – Housing and Gentrification Subcommittee)
  - b. Implementing and/or monitoring and reporting on progress related to the recommendations from the Task Force and from the Commission on Racial Justice and Equality – Housing and Gentrification Subcommittee;
  - c. Analyzing and updating priority areas in partnership with LFUCG’s GIS office and specifically executing recommendations in Section E – Identification of Priority Areas to Focus Resources.

**D. Support of Recommendations made by the Mayor’s Commission on Racial Justice and Equality – Housing and Gentrification Subcommittee**

In recognition of support for the recommendations made by the Commission on Racial Justice and Equality – Housing and Gentrification Subcommittee, the Task Force approved the following statement in December 2020. [See **Appendix G** for the recommendations made by the Commission on Racial Justice and Equality – Housing and Gentrification Subcommittee.]

*“The Task Force on Neighborhoods in Transition expresses its appreciation for the hard work of the Housing and Gentrification subcommittee of the Mayor’s Commission for Racial Justice and Equality. We are in support of both the intentions and the broad potential impact of the recommendations included in the report of the subcommittee. We will be considering ways to incorporate relevant elements of their recommendations as we continue to work on the narrative and recommendation in our report.”*

## **E. Identification of Priority Areas to Focus Resources**

- 1) Resources dedicated to addressing involuntary displacement and the Task Force's recommendations should focus on those most at risk of displacement within the priority areas. Resources are not restricted to these areas and should not be provided solely on the basis of membership of a protected class. However, prioritization allows resources to better reach some of the most vulnerable parts of the community to involuntary displacement.
- 2) Identify priority areas on an annual basis using data and maps of several attributes that the Task Force has determined as contributing factors to a neighborhood's vulnerability to involuntary displacement.
  - a. Essential attributes to measure vulnerability to involuntary displacement:
    - Median Income at less than 30 percent of area median income
    - High minority population (non-white)
    - Low mean home sale price
    - Low owner-occupancy rate
  - b. Other attributes to take into consideration are 60 and 80 percent AMI, senior population, educational attainment (less than a high school diploma), and foreclosures. To the extent possible, future efforts should also look for areas seeing disproportionate real estate property transfers.
- 3) Monitor, analyze, and develop trends based on data related to attributes identified in recommendation E1 but not limited to, to enhance the identification of priority areas and support neighborhoods before individuals experience involuntary displacement.
- 4) The following maps identify the initial establishment of the priority areas in Lexington and are to be used to focus any initial resources dedicated to addressing involuntary displacement, with acknowledgment they are to be updated annually. These maps were created with 2017 American Community Survey Census data and 2019 PVA data.

### **Map 1. Median Income at Less Than 30% of AMI**

- Identifies the percentage of households per census tract block group that are 30 percent of the area median income or less.

- Areas colored in burgundy (i.e. the darkest shade of red) are designated a priority area because they are the areas with the most households that are less than 30 percent of AMI.

### **Map 2. High Minority Population (Non-White)**

- Identifies the percentage of individuals who are non-white, or minorities, per census tract block group.
- Areas colored in burgundy (i.e. the darkest shade of red) are designated a priority area because they are the areas with the highest minority population.

### **Map 3. Low Mean Home Sale Price**

- Identifies the mean sale price of single-family residential properties per census tract block group.
- Areas colored in burgundy (i.e. the darkest shade of red) are designated a priority area because they are the areas with the lowest mean home sale price.

### **Map 4. Low Owner-Occupancy Rate**

- Identifies the percentage of single-family residential properties that are owner-occupied per census tract block group.
- Areas colored in burgundy (i.e. the darkest shade of red) are designated a priority area because they are the areas with the lowest owner-occupancy rate of single-family residential properties.

### **Map 5. Intersection of the Top 10 Block Groups of 4 Priority Area Vulnerability Maps**

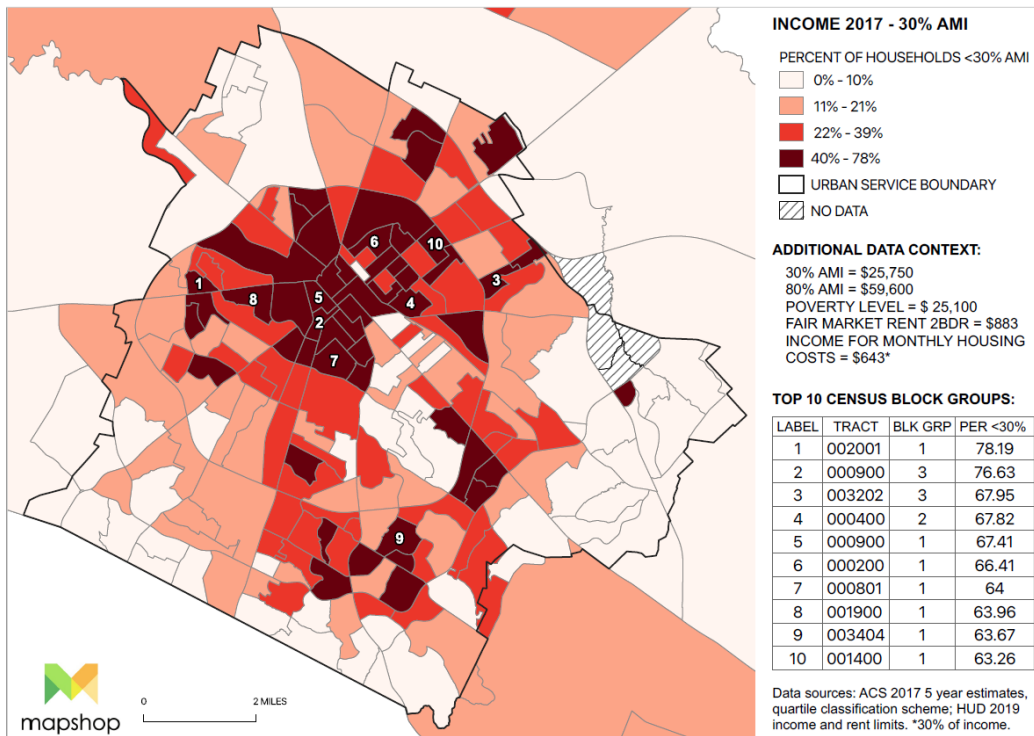
- Consolidates the top 10 block groups of each attribute: 30 percent AMI, minority population, mean sale price, and owner-occupancy rate into one map. The top 10 block groups are the most extreme measure of the data the attribute map is evaluating.
- This map identifies the top 10 block groups from each attribute and shows the areas that intersect with more than one attributes' top 10 block groups.

[See **Appendix C** for the Map Report: *Maps of Vulnerabilities to Displacement.*]

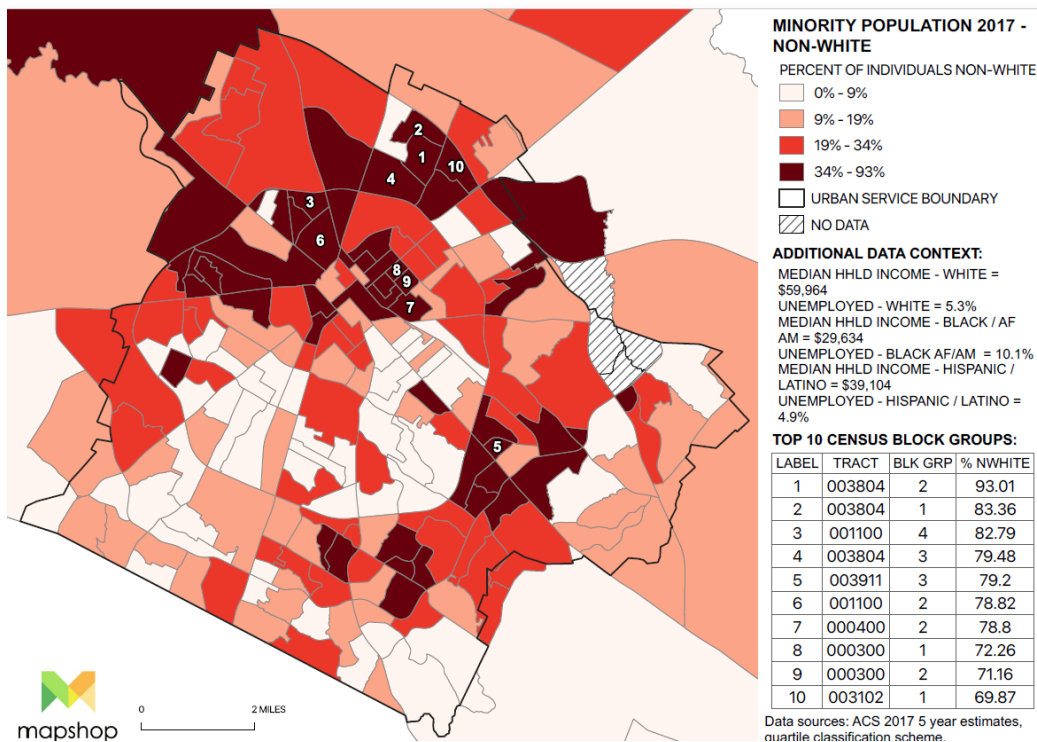


Priority Area Maps:

Map 1. Median Income at Less Than 30% of Area Median Income

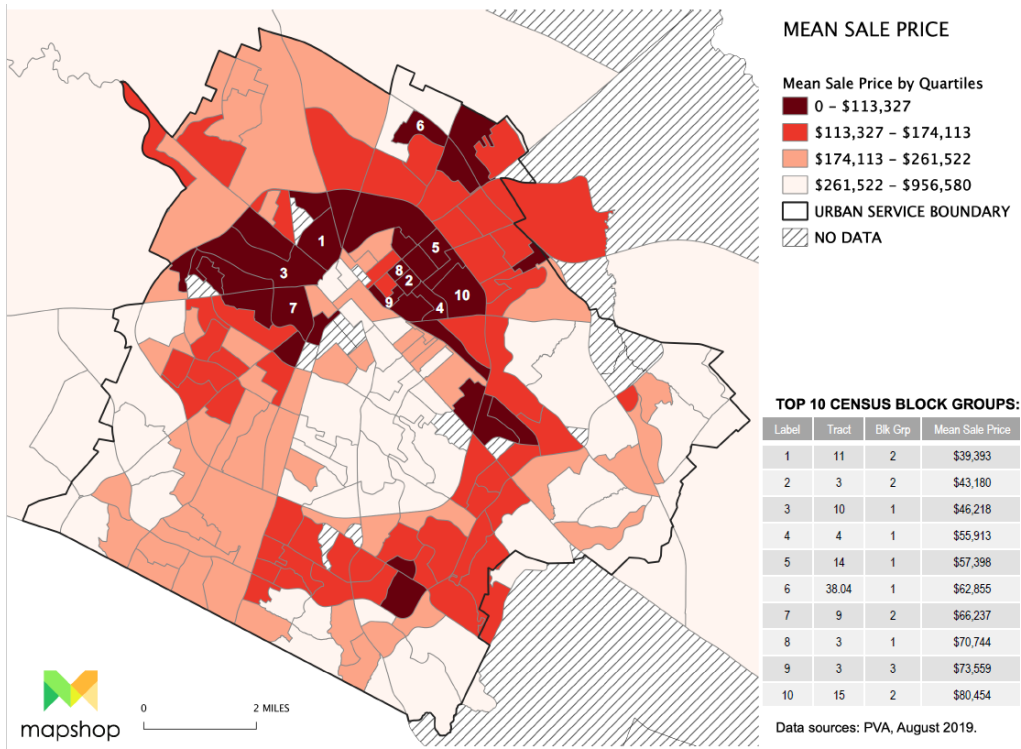


Map 2. High Minority Population (Non-White)

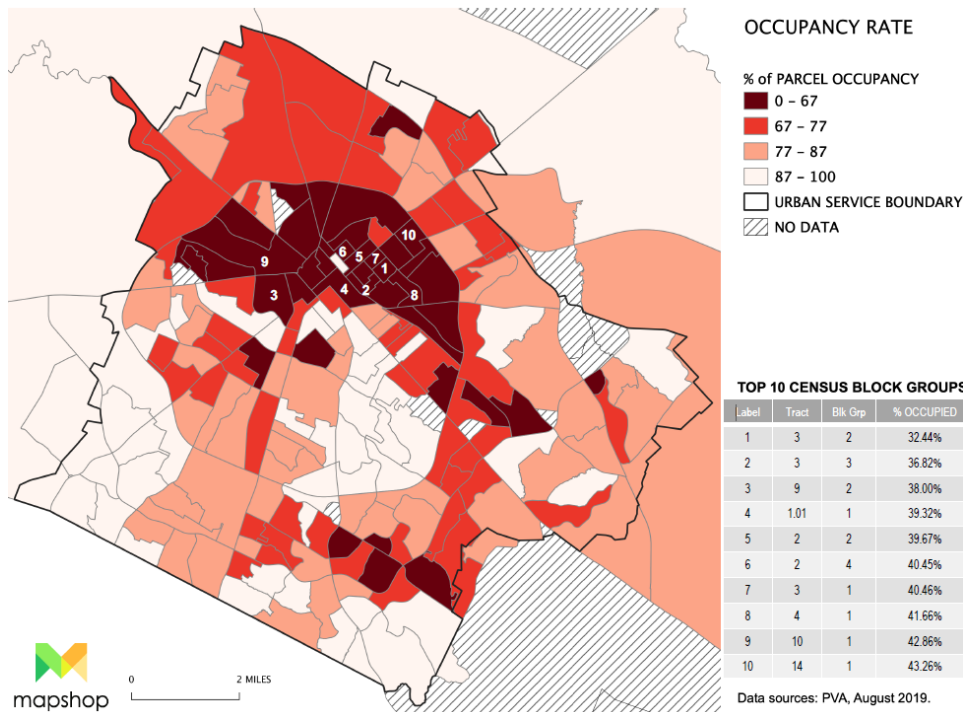


Priority Area Maps:

Map 3. Low Mean Home Sale Price



Map 4. Low Owner-Occupancy Rate



Priority Area Maps:

**Map 5. Intersection of the Top 10 Block Groups of 4 Priority Area Vulnerability Maps**

