

CONDITION AMENDMENT JUSTIFICATION
3743 Red River Road
Ordinance No 145-2017

The developer requests the increase of the R-4 Zoning restriction from 60,000 square foot (sqft) to 80,000 sqft, a 20,000 sqft increase. Since the original approval in 2017, there have been major physical (neighborhood), economic and social changes within the Fayette County, KY, where the subject property is located. Changes that were not anticipated at the time the Lexington-Fayette Urban County Council and the Urban County Planning Commission imposed the 60,000 sqft rezoning restriction. This paper will provide supplemental information to support this request, while ensuring the provisions set in the 2015 Armstrong Mill West Small Area Plan are not violated. Additionally, the developer is not requesting any other changes to the other Council and Commission zoning restrictions.

The proposed development is located on the south side of Red River Drive and in the River Park neighborhood. The applicant previously received approval for the requested zone change in Ordinance No 145-2017 in order to re-purpose the existing structures for an assisted living facility, medical offices, adult and child care centers, and a community center, and build new structures for medical offices and senior housing on the site. The Lexington-Fayette Urban County Council and the Urban County Planning Commission approved the 2017 R-4 Rezoning request that consisted of four planned buildings scattered throughout the site with the two existing structures (gym and vacant school) totaling 58,036 sqft. However, the zone change approval included an Other Use Restriction, which limited the R-4 Zoned land to a maximum of 60,000 sqft of total floor area. The Council and Commission also agreed that the overall R-4 and P-1 Rezoning request agreed with the 2015 Armstrong Mill West Small Area Plan that was incorporated into the area's 2013 Comprehensive Plan.

Physical changes in the area that would justify the modification of the R-4 Zoning conditions. The original 2017 plan for the R-4 Zone consisted of four new structures scattered throughout the site - three separate buildings (27,300 sqft floor area) plus a community food garden (5,760 sqft floor area) – plus two existing structures (vacant school and gym) for a total 58,036 sqft. However, recent reexamination of this plan identified that the square footage calculation was incorrect, the plan does not total 58,036 sqft but actually totals 64,036 sqft. The existing vacant school building is actually 21,012 sqft, not 15,012 sqft as calculated in 2017, representing an increase of 6,000 sqft. Therefore, the plan initially did not comply with the 2017 Lexington-Fayette Urban County Council and the Urban County Planning Commission Other Use Restriction, which limited the R-4 Zoned land to a maximum of 60,000 sqft of total floor area. Refer to Figure 1 (Previous 2017 R-4 Rezoning Design Plan).

The new proposed R-4 site development plan consolidates the four new structures scattered throughout the site into a single new 46,315 sqft four-story apartment building, with a common space annex and a 1,385 sqft domed greenhouse. It removes the planned incorporation of the two existing structures (gym and vacant school) in order to maximize the amount of housing that could be provided to low-income seniors in the area in accordance with a nine percent Low Income Housing Tax Credit (LIHTC) project by the State of Kentucky. Nevertheless, the plan must still account for the two existing structure's 30,976 sqft of floor area because they are potentially usable

space within the R-4 Zone, even though these structures will not be utilized. The revamped design does increase the site's proposed square footage from the previous approved 58,036 sqft (really 64,036 sqft after the error was detected) to 78,676 sqft. However, this 14,640 sqft increase in floor area is predominantly vertical because the new plan reduces the amount of impervious ground cover. The 2017 plan called for 58,036 sqft of impervious lot coverage; whereas, the new 2024 plan calls for 40,793 sqft of impervious lot coverage. This is a reduction of 17,243 sqft impervious ground coverage, thereby, preserving more of the site's greenspace. Therefore, the new plan develops the R-4 Zone more efficiently, thereby, causing less disruption to the existing space. Consequently, it has a higher degree of compliance with the intent of the 2015 Armstrong Mill West Small Area Plan by protecting the adjoining residential land uses from development that is out of character with the existing neighborhood. Refer to Figure 2 (New 2024 R-4 Rezoning Design Plan).

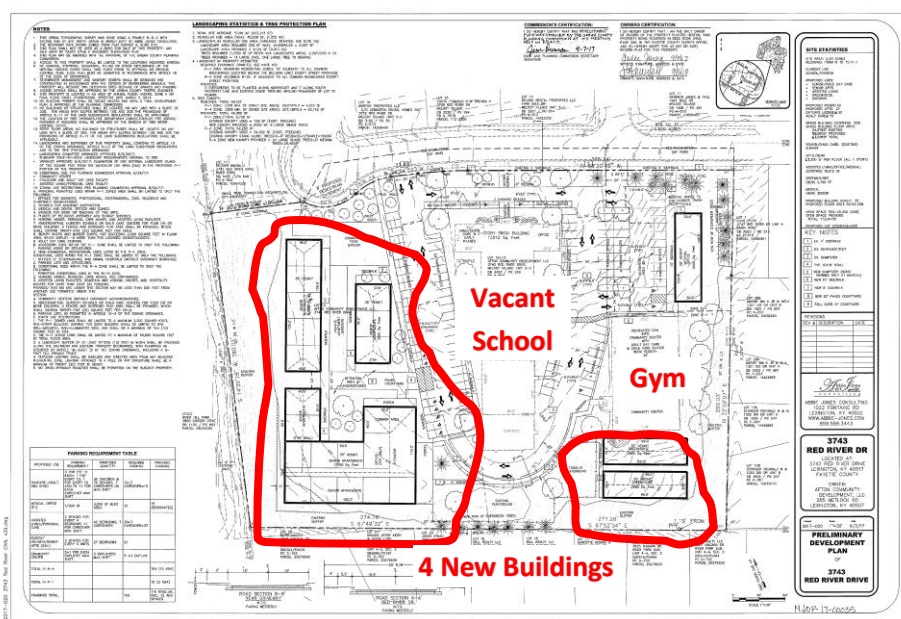


Figure 1. Previous 2017 R-4 Rezoning Design Plan

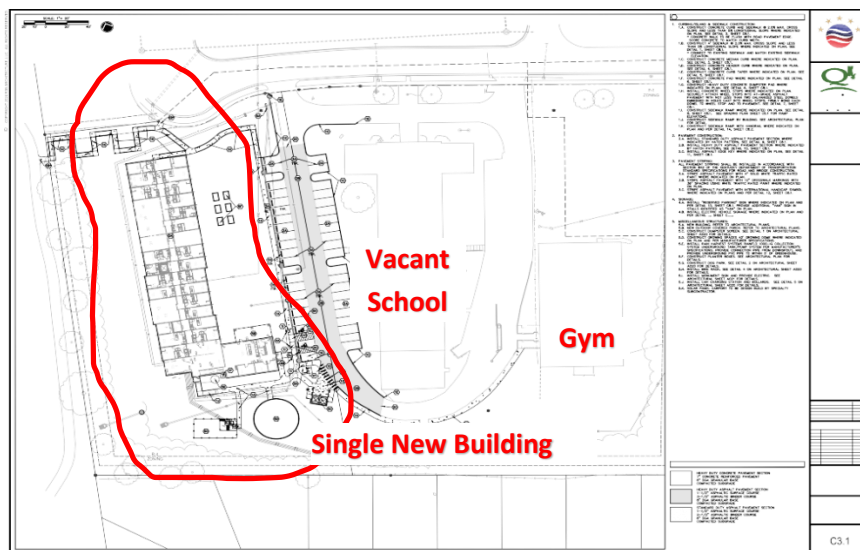


Figure 2. New 2024 R-4 Rezoning Design Plan

Social changes in the area that would justify the modification of the R-4 Zoning conditions. Analysis of 2017 to 2024 demographic data of citizens in the Fayette County, Kentucky (KY) area age 60 and older, obtained from the Demographic And Housing Estimates, American Community Survey (ACS), U.S. Census Bureau, shows a 38 percent increase of this population since the 2017 rezoning. This trend is in line with national demographics, as the U.S. “Baby Boomer” generation (ages 61-79 years old) ages. Concurrently, it is feasible to conclude that the need for affordable housing, especially affordable senior housing, in the county has also increased. Refer to Table 1 (Fayette County, KY 60 and older Demographics).

Fredon LIHTC Apartments Minimum Eligibility Age - 62 yrs old				
LABEL	2017 Census Tract Fayette County, KY Estimate	2024 Census Tract Fayette County, KY Estimate	DELTA	% Change
Total population	6,354	6,482	128	2.01%
60 to 64 years	247	338	91	36.84%
65 to 74 years	460	467	7	1.52%
75 to 84 years	187	174	-13	-6.95%
85 years and over	39	86	47	120.51%
TOTAL NET INCREASE BETWEEN 2017 AND 2024: 132				
AVERAGE % CHANGE BETWEEN 2017 AND 2024: 38%				

Table 1. Fayette County, KY 60 and older Demographics

Additionally, in the 2014 Housing Study for Fayette County produced by CZB, LLC, there was a stated need for 6,000 additional affordable housing units. According to the Kentucky Housing Corporation’s most recent 2024 analysis, Fayette County is now more than 14,000 rental units short, with another 8,800 for sale units required to meet the affordable housing requirement. Furthermore, the 2024 revamped Freedom LIHTC Apartment plan does increase the site’s proposed square footage from the previous 2017 approved 58,036 sqft (really 64,036 sqft after the error was detected) to 78,676 sqft. However, this increase facilitates expanding the 2017 planned 28 units to 52 units, which represents an 85.7 percent increase in available low income senior housing. This increase offers 24 more single or married local low income housing qualified seniors, who may no longer be able to live independently in their personal homes, an opportunity to remain in their neighborhood. This does not account for all the other amenities the planned development will offer its residents. Therefore, increasing the square footage of the development helps to offset the area’s increased housing demand, while offering a unique senior housing option that incorporates on-site medical care and meals, plus social activities. Consequently, the increased need for housing, especially affordable housing, in the Fayette County community should represent enough of a social change in the area’s fabric to justify increasing the 2017 R-4 Zoning restriction from 60,000 sqft to 80,000 sqft. Refer to Table 2 (Kentucky Housing Corporation’s most recent 2024 analysis, Fayette County).

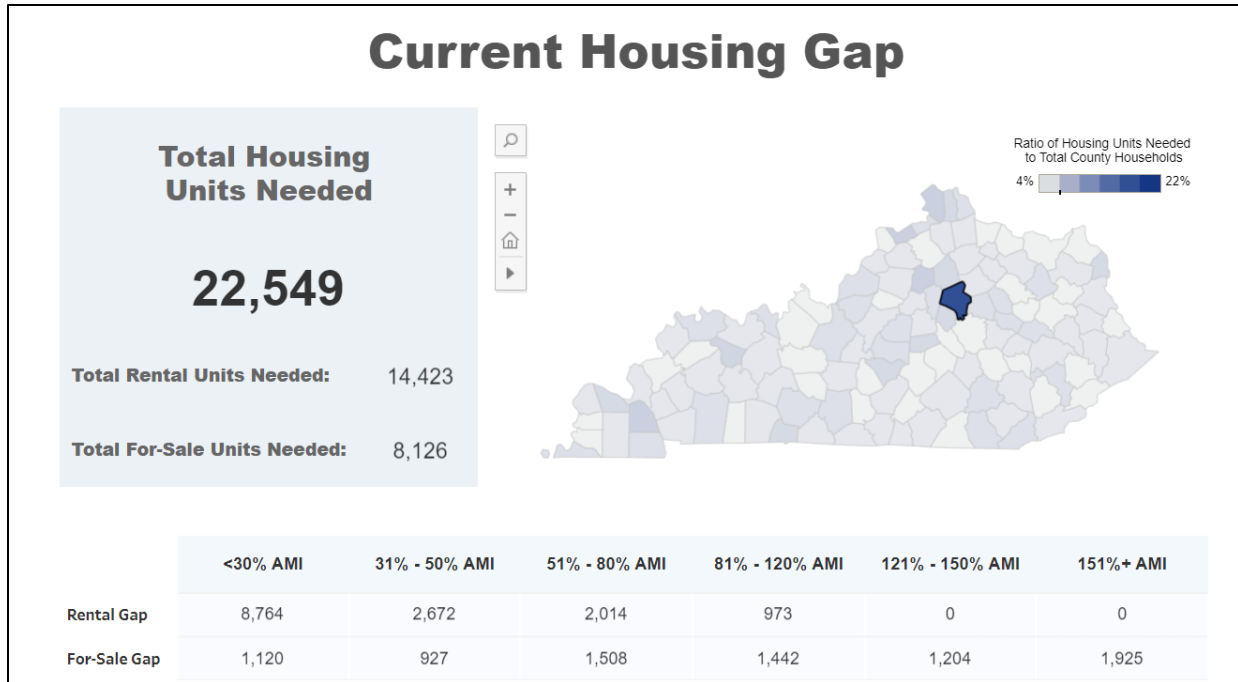


Table 2. Kentucky Housing Corporation's most recent 2024 analysis, Fayette County

Economic changes in the area that would justify the modification of the R-4 Zoning conditions. Interest rates and constructions costs have increased by more than 30% since the original approval. In order to continue to serve the same population as the 2017 plan, the applicant proposes the single modular building to replace the 3 separate buildings. By reducing the proposed development to a single modular structure, the applicant is able to more efficiently develop the proposed units and keep costs down for the end user.

In addition to the specific physical, social and economic changes, there are other criteria that would support the approval of increasing the 2017 R-4 Zoning Other Use Restriction from 60,000 sqft to 80,000 sqft. The proposed development expands the area's housing choices to meet the needs of a disadvantaged and older population. Additionally, it supports the healthcare needs of the citizens of Fayette County, fulfilling Theme A, Goal #1c and Theme D, Goal #2 of the Comprehensive Plan. The proposed development reuses the vacant Blue Grass Baptist School site and encourages ageing in place, achieving Theme A, Goal #2 of the Comprehensive Plan. The proposed development creates an incidental office use that provides services for all ages as part of a community center, which improves access to medical services, accomplishing Goal #5 of the Armstrong Mill West Small Area Plan. This development plan also increases neighborhood security by providing a permanent presence in the area that would disrupt the use of the vacant structures on the site for illicit purposes.

The proposed modular building will utilize innovative materials and building techniques and will be first modular senior housing development in the state. The proposed modular development will maintain the same approved use and is compatible with the existing and projected future development of the area. The proposed development also includes a 1,385 square foot greenhouse, which is included into the maximum total floor area of the site. The proposed development also

includes a dog park, front lawn, raised planting bed area, covered lounge, rainwater harvest tank, and a sidewalk connection to River Hill Park. The site design remains the same and will provide two points of access off Red River Drive, as previously approved.

The developer concluded that while demolishing the existing unused brick school building would free up 21,012 sqft within the R-4 Zone, it was not a viable course of action. This course of action would effectively solve the Other Use Restriction problem by reducing the project's total floor area from 78,676 sqft to 57,664 sqft below the 60,000 sqft restriction. However, the high cost of demolition would increase the overall project, possibly beyond its viability. Demolishing the aged school building could release sealed contaminants (i.e., lead, asbestos) that were previously contained after the owner invested approximately \$80K in mitigation when the building was initially purchased. If these contaminants were inadvertently released during the demolition process, not only would the increased project cost and delay possibly bring the viability of the project into question, but it would also unintendedly create a hazard for all of the neighborhood's residents. Third, demolishing the structure would remove its future use as an otherwise usable structure, which could have been easily converted to another beneficial use in the future. Finally, given the ever increasing cost of new construction, demolishing a viable structure did not make financial and strategic sense.

The developer plans to conduct neighborhood outreach to ascertain if the community has any concerns about the planned development and if there is any apprehension regarding the proposed R-4 Other Use Restriction modification.

In closing, the proposal to modify the maximum square feet of total floor area in the R-4 Zoned land from 60,000 sqft to 80,000 sqft is in conformance with the 2013 Comprehensive Plan and 2015 Armstrong Mill West Small Area Plan. The applicant is only deviating from the previously approved plan with regard to this one building and Other Use Restriction.

Additional data obtained from Fayette County, KY website.

<https://datausa.io/profile/geo/fayette-county-ky?propertyTaxesValue=propertyTaxes>