AFFORDABLE HOUSING
IN LEXINGTON

Who can afford what - and what it will take to close the gap

PUBLIC PRESENTATION | AUGUST 2026

Lexington–Fayette County, Kentucky

ehi CONSULTANTS

WHY THIS MATTERS

The challenge in three numbers

22,549

HOUSING-UNIT GAP

Across rental and ownership, all income levels.

17,005

GAP AT OR BELOW 80% AMI

About three-quarters of the total gap.

+47%

MEDIAN RENT, 2019–2024

From roughly $800–$850 to $1,200–$1,250.

The housing shortage is broad. The affordability crisis is concentrated.

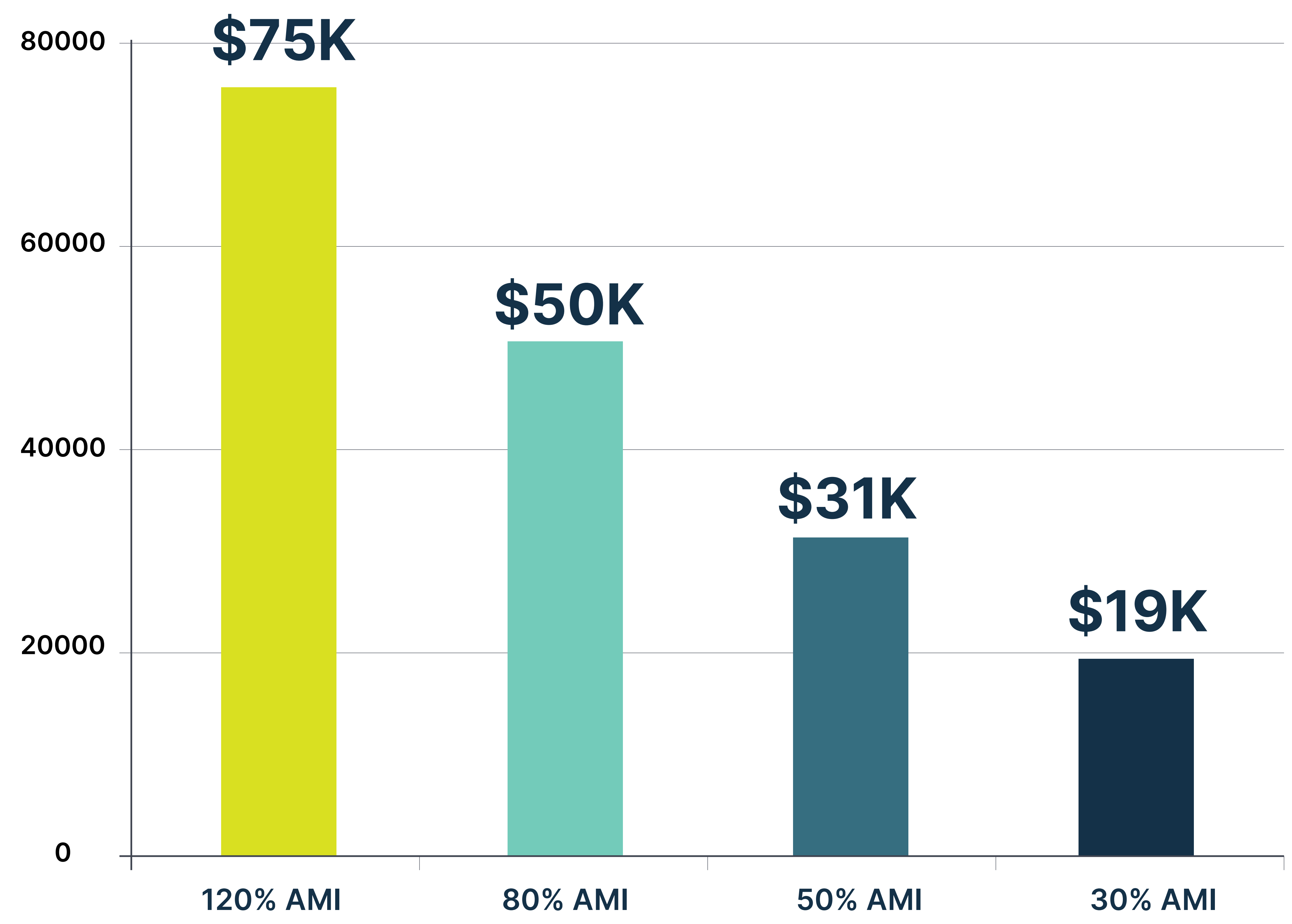
The deepest gap is for households with the least room in their budgets — especially renters.

HOUSING STABILITY = ECONOMIC STABILITY

WHO ARE WE TALKING ABOUT?

AMI is a ladder - not a label

ILLUSTRATIVE ANNUAL HOUSEHOLD INCOME



At 30% of income, the monthly housing budget is roughly:

120% AMI	**$1,887/mo**	HOUSING COSTS
80% AMI	**$1,258/mo**	HOUSING COSTS
50% AMI	**$786/mo**	HOUSING COSTS
30% AMI	**$472/mo**	HOUSING COSTS

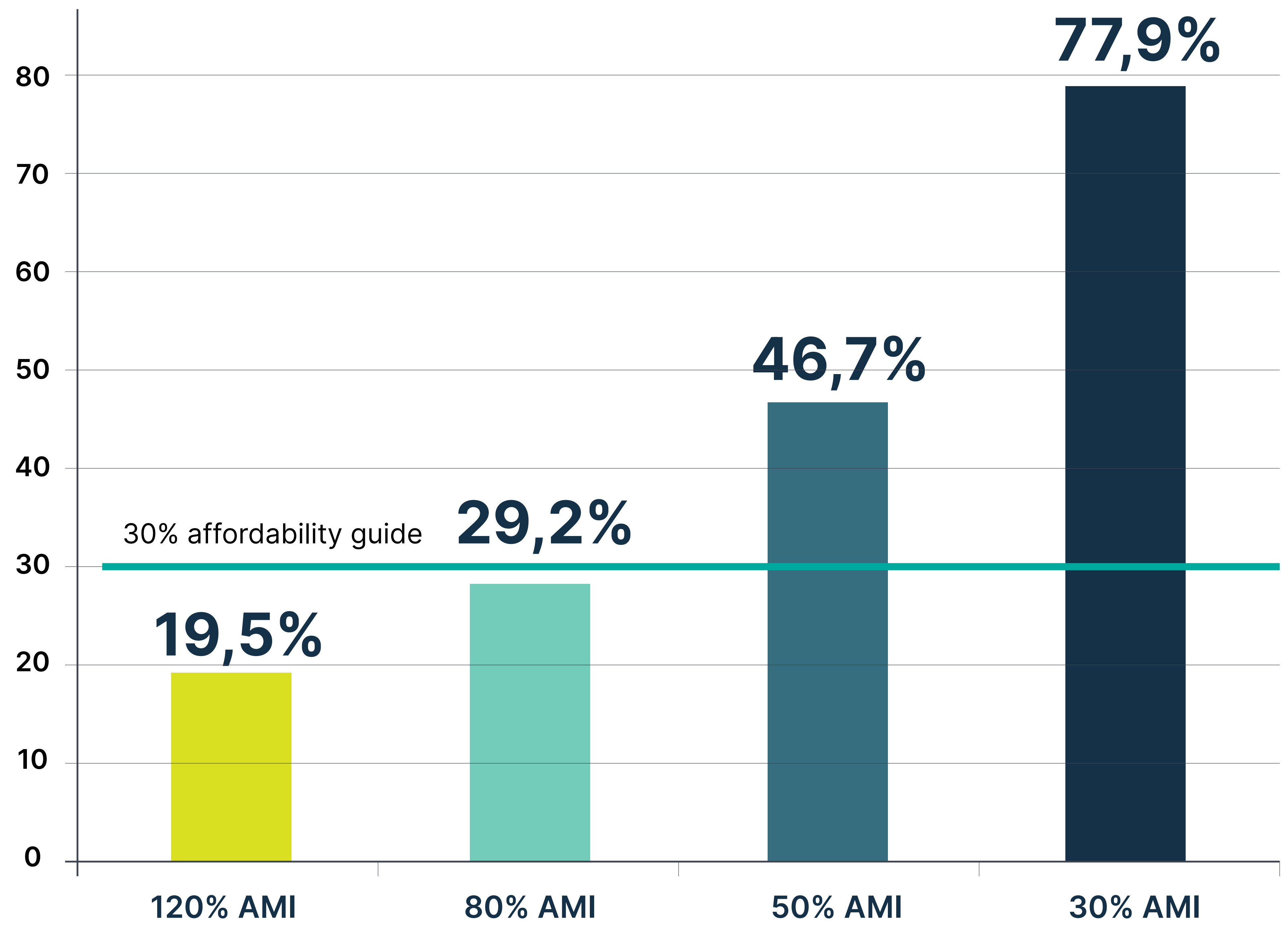
HUD/KHC program limits vary by household size and program. These are planning illustrations using the Needs Analysis benchmark.

Planning benchmark: 100% AMI = $62,908 in the 2024 Needs Analysis; amounts rounded.

THE SAME MARKET HITS HOUSEHOLDS DIFFERENTLY

One median rent. Four very different realities.

SHARE OF ANNUAL INCOME CONSUMED BY $1,225/MONTH RENT ALONE



$1,200–$1,250

Lexington median rent reported for 2024

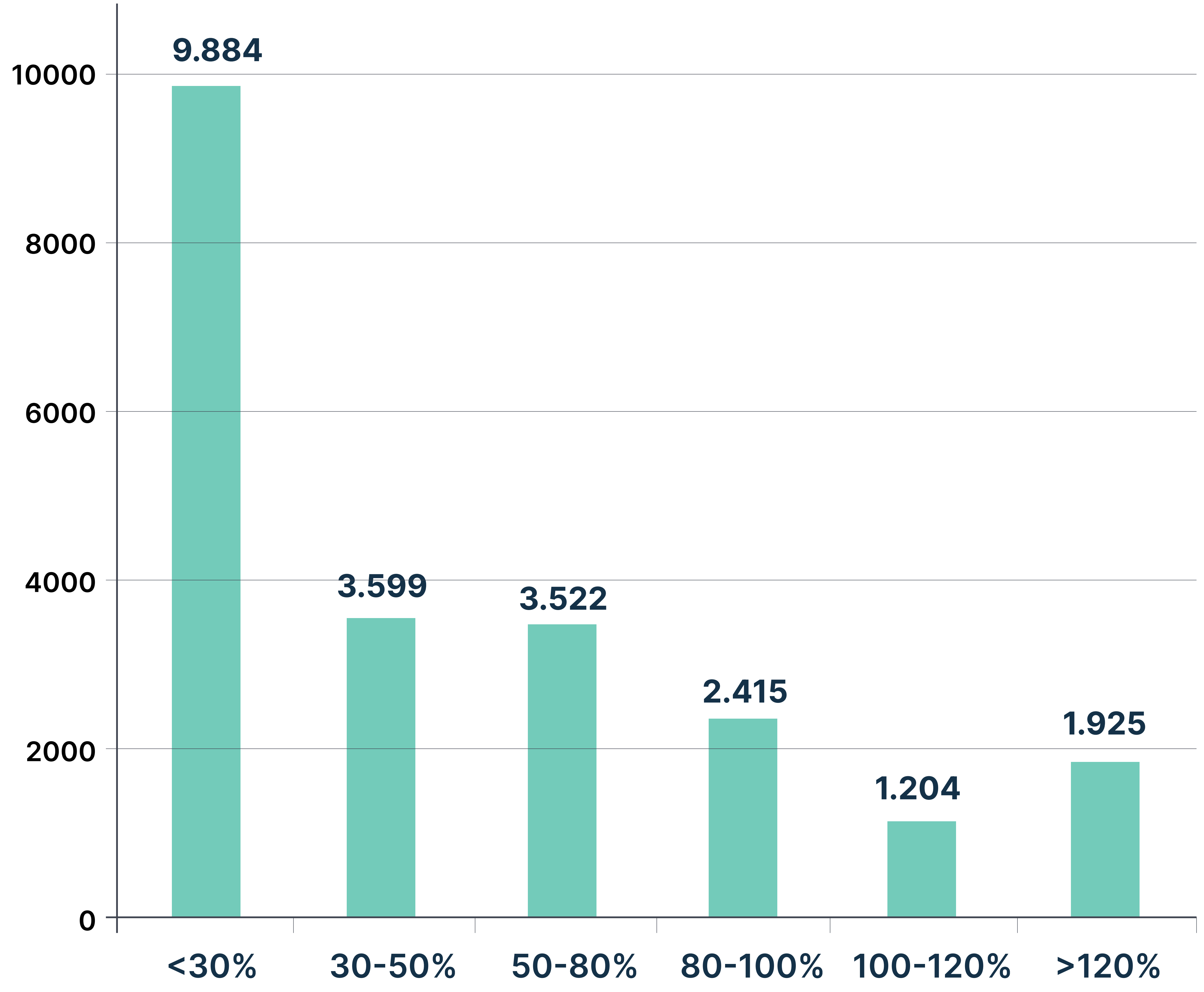
At 50% AMI, median rent alone consumes ~47% of income.

At 30% AMI, it approaches 78% - before utilities.

Illustrative comparison uses midpoint rent of $1,225 and the Needs Analysis AMI benchmark.

HOUSING GAP BY AMI

The gap is deepest at the bottom of the income ladder



75% of the total gap is at 80% AMI or below

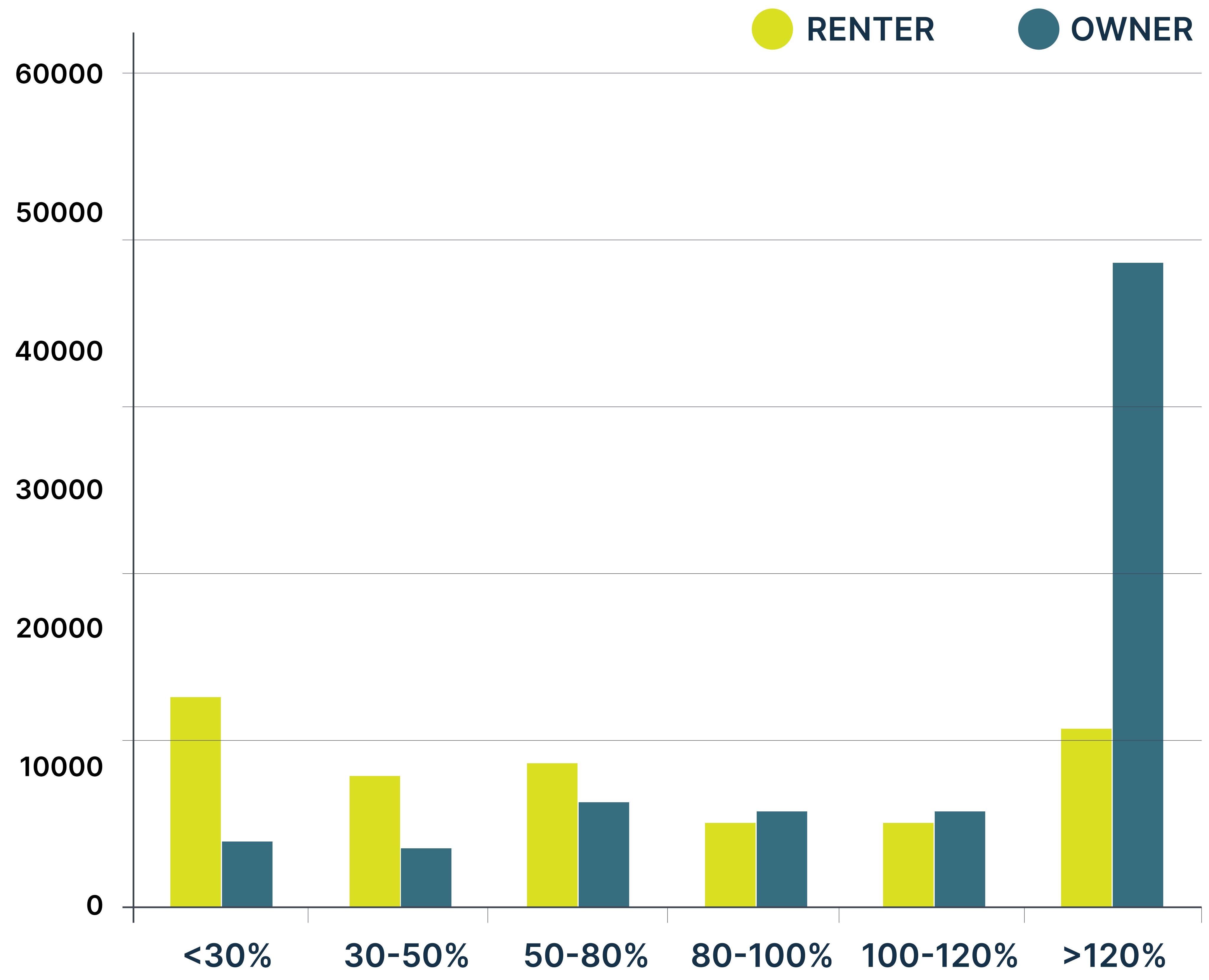
9,884 units of gap below 30% AMI - the single largest in-come-band need.

This is where deep subsidy and operating support matter most.

2024 Fayette County housing-gap estimate; total gap = 22,549 units.

WHO IS IN THE INCOME BANDS?

More than 51,000 households are at or below 80% AMI



58% of renter households are at or below 80% AMI

22% of owner households are at or below 80% AMI

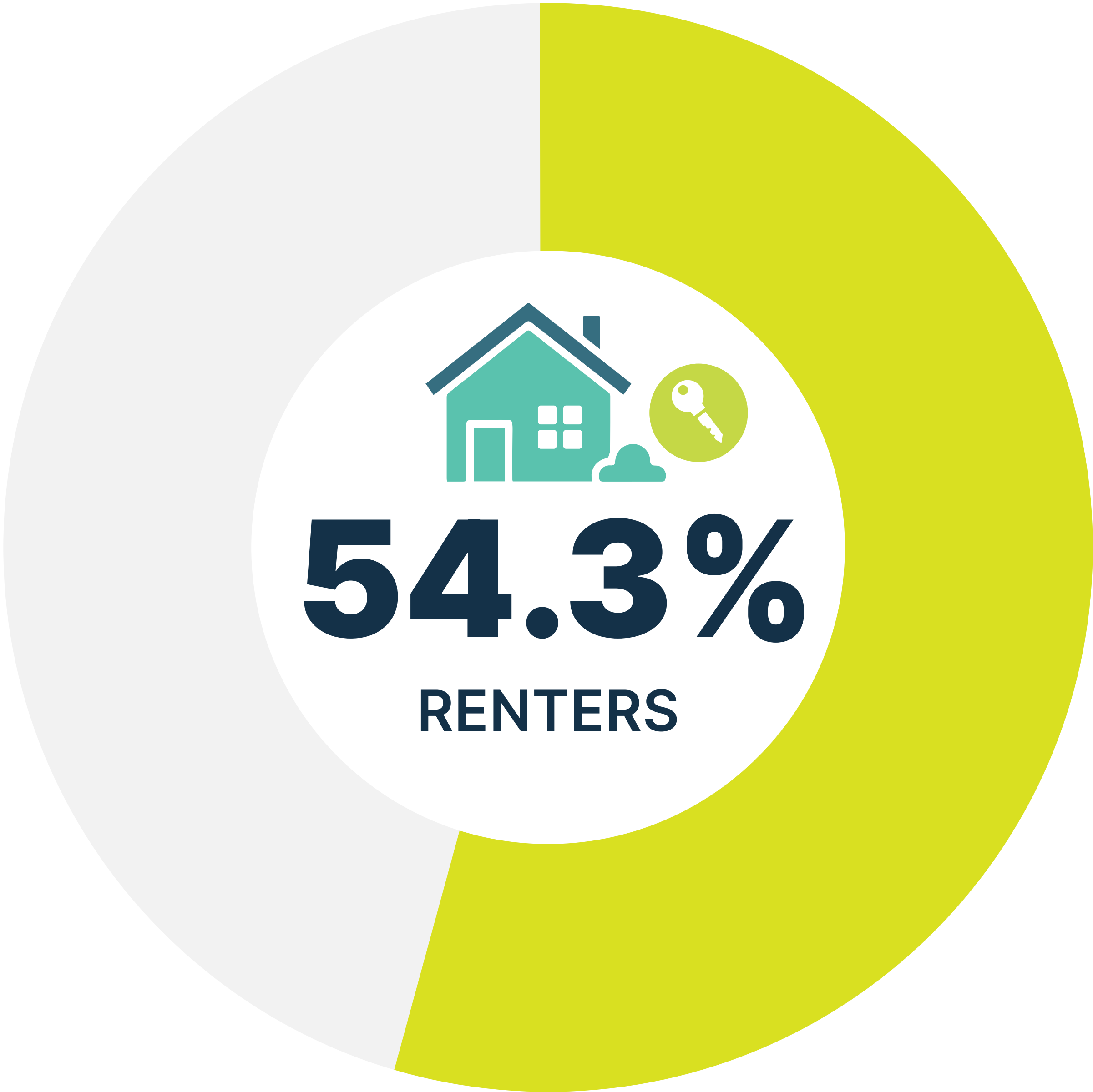
The affordability challenge is heavily renter-facing - but ownership opportunity also narrows quickly below median income.

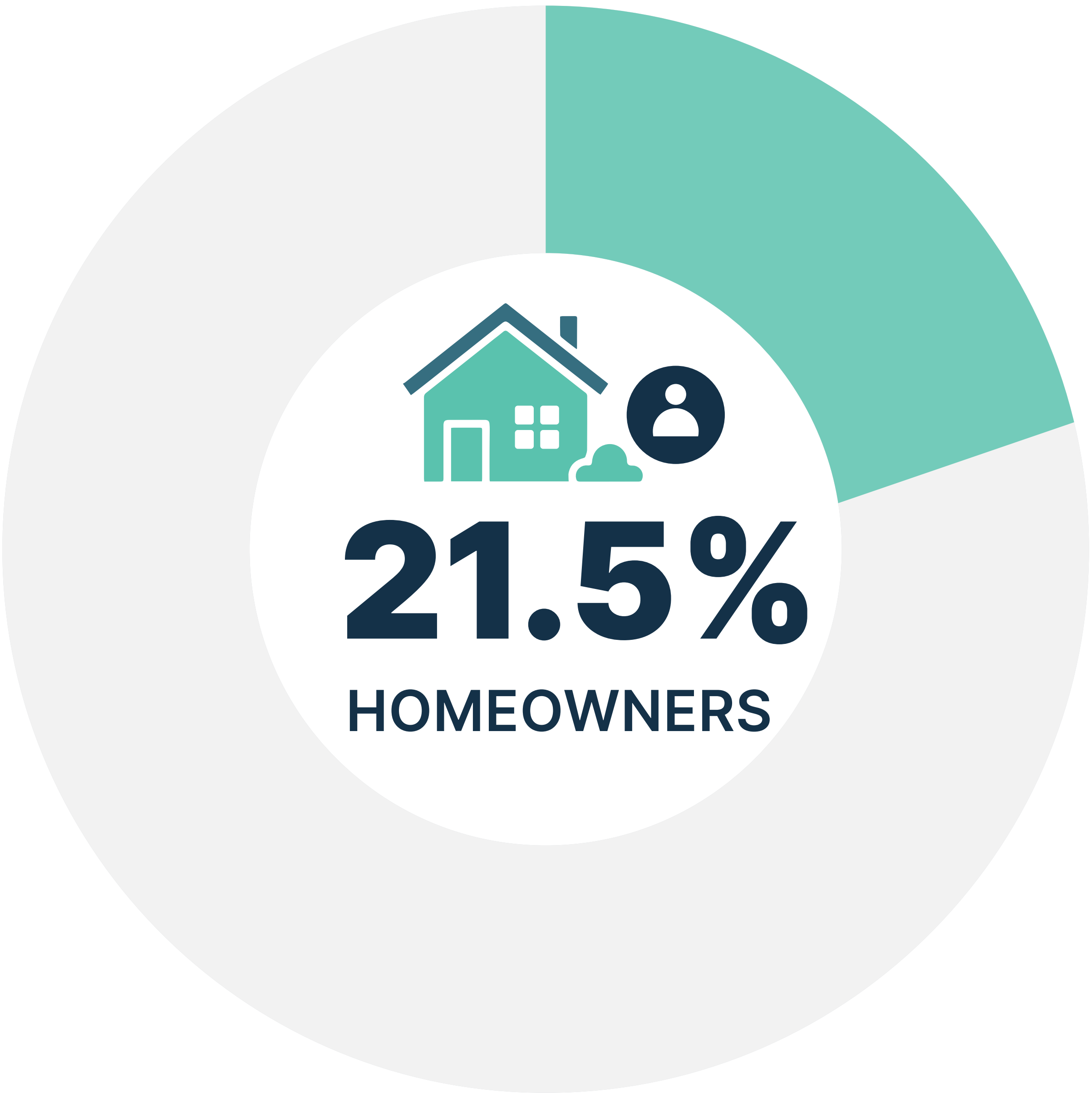
Households by %AMI and tenure from 2024 Needs Analysis, p. 61.

COST BURDEN

Renters carry the heaviest housing-cost burden

SHARE SPENDING MORE THAN 30% OF INCOME ON HOUSING





28%

OF RENTERS ARE SEVERELY COST BURDENED - SPENDING MORE THAN HALF OF INCOME ON HOUSING.

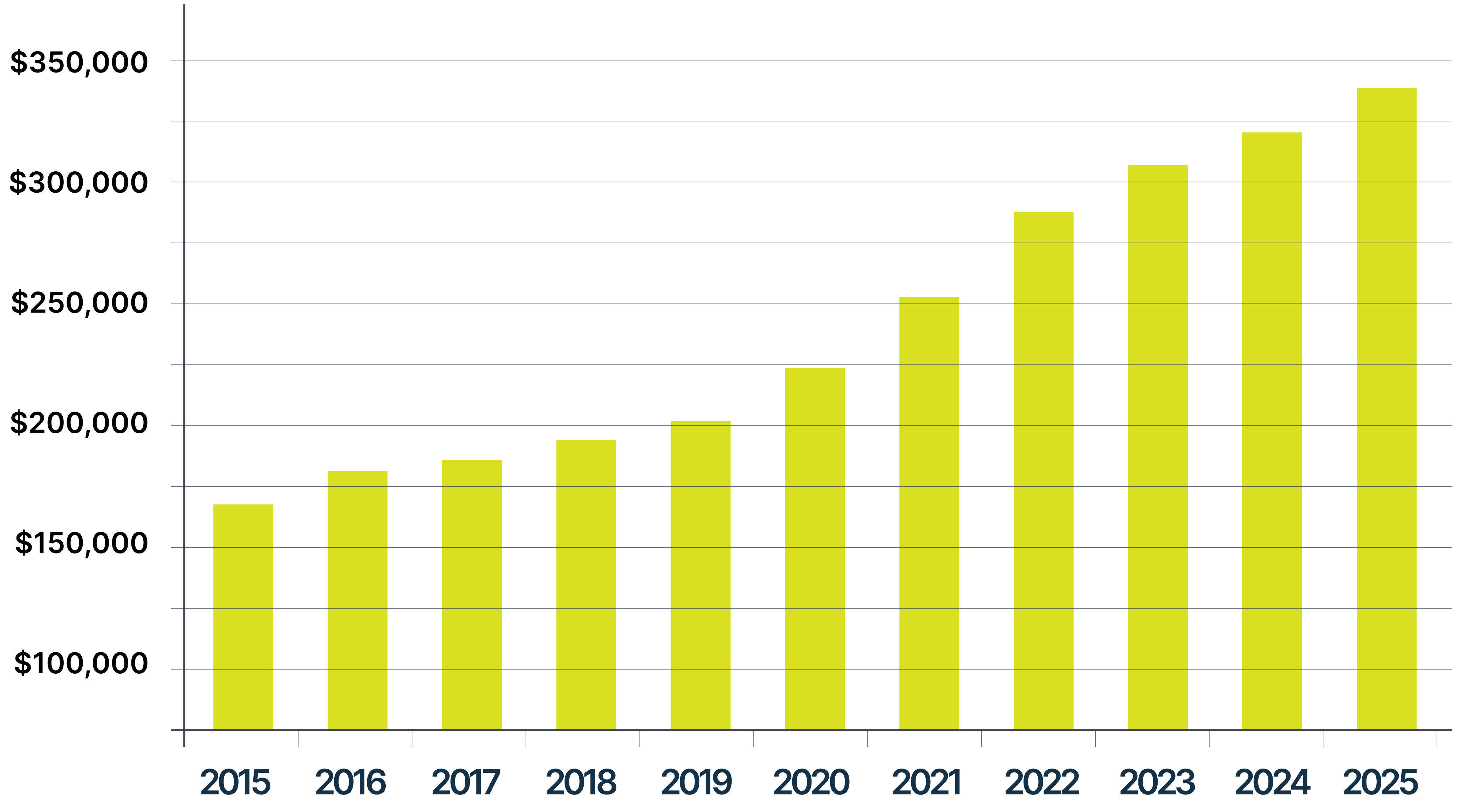
Lower incomes → higher burden → less left for food, health, transportation and savings.

Cost burden = more than 30% of income for housing; severe burden = more than 50%.

FOR-SALE MARKET

Homeownership is pulling away from lower- and middle-income households

MEDIAN SALE PRICE (2015-2025) ▲ 100%

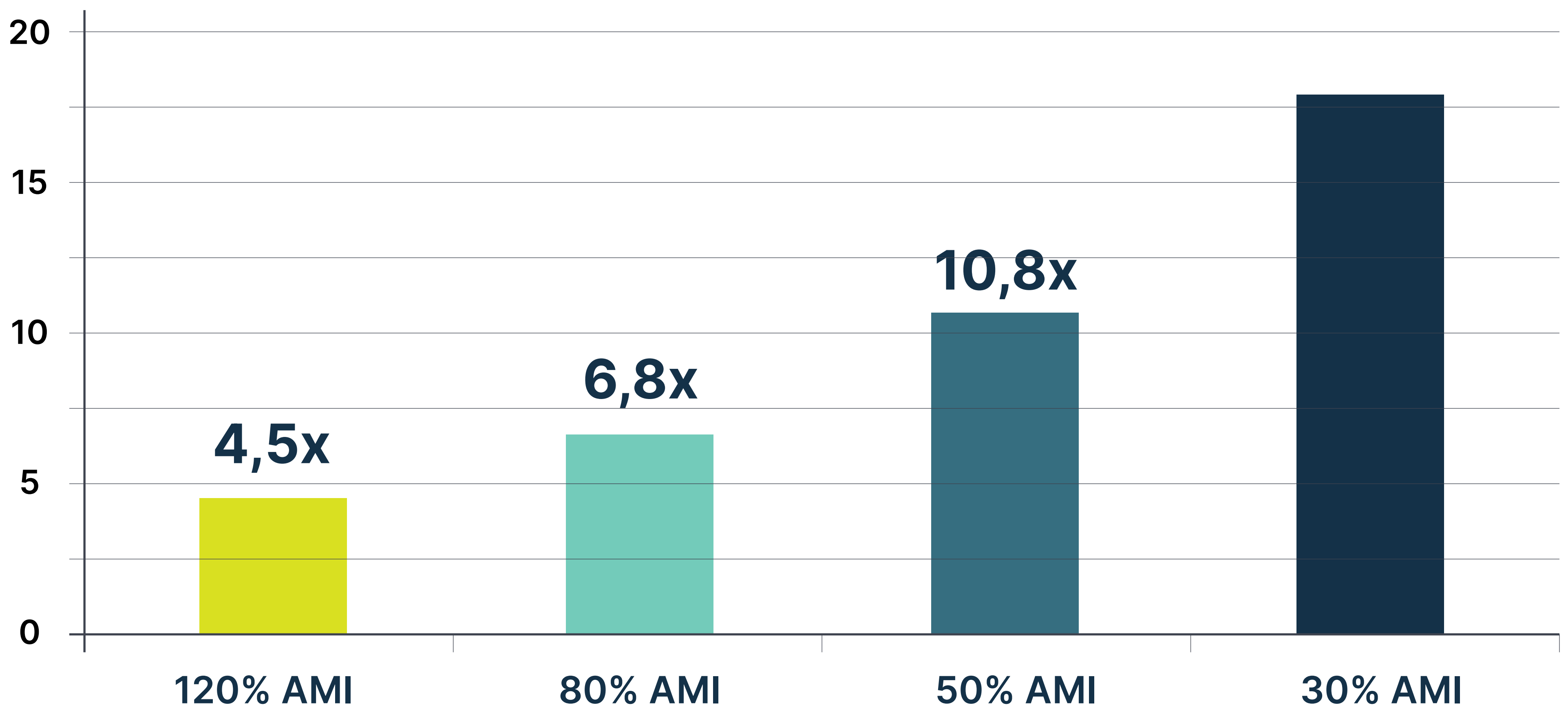


Price-to-income is not a mortgage qualification test; it simply shows how far the purchase price sits above annual income.

$340,000
2025 Fayette County median sale price

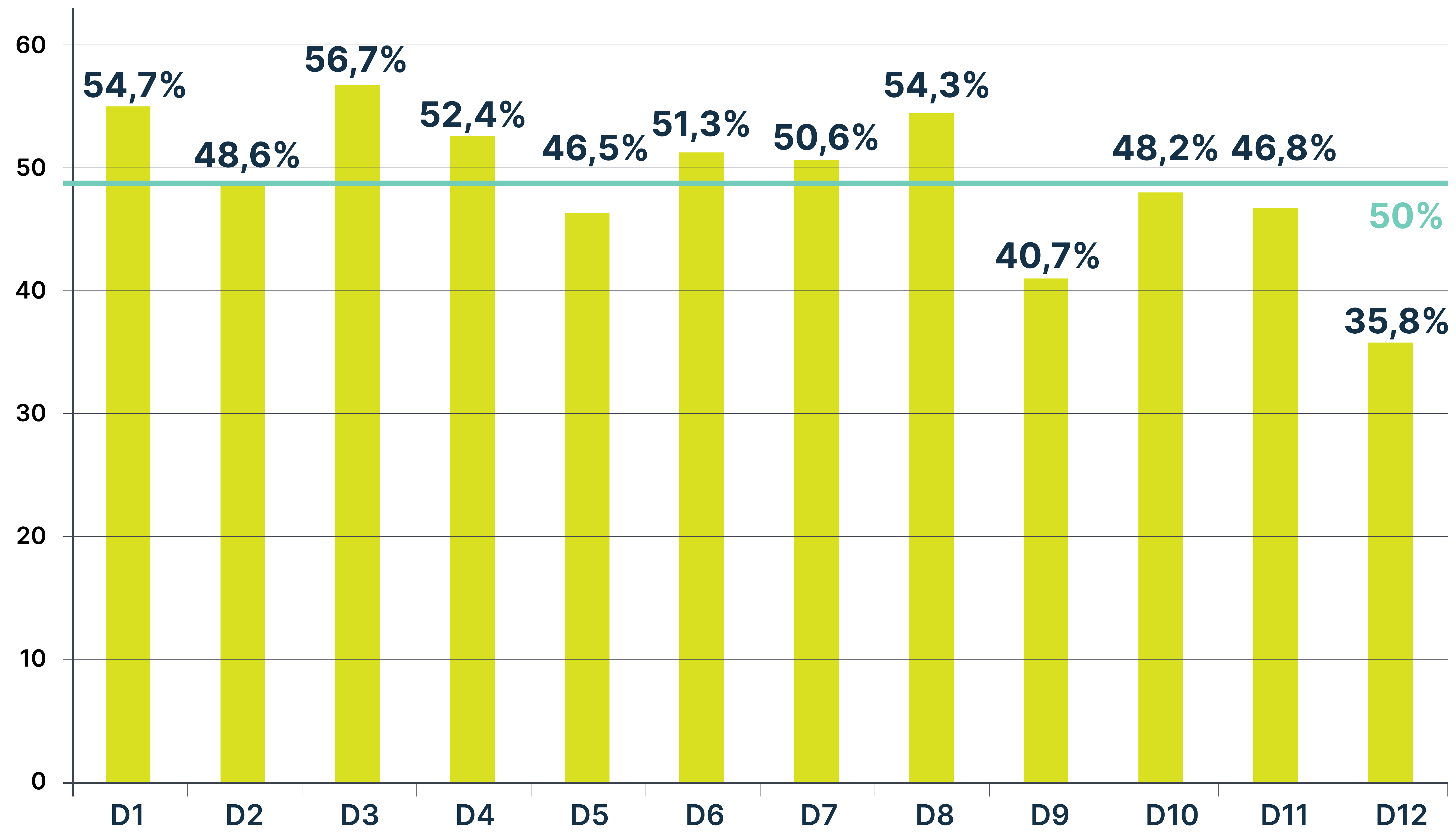
≈ 2×
the 2015 median price

MEDIAN HOME PRICE AS A MULTIPLE OF ANNUAL INCOME



Market source: Fayette County PVA, July 31, 2026. Income comparison uses the Needs Analysis AMI benchmark.

Housing pressure is not evenly distributed across Lexington



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council districts are above 50% on the 30%+ housing-burden indicator.

A stable home supports health, school attendance, employment, food security and civic participation.

2026 Comprehensive Indicators: housing burden by council district; planning-level indicator.

Lexington is investing - and the last three years show real momentum

$18.6M

ALLOCATED TO 719 UNITS

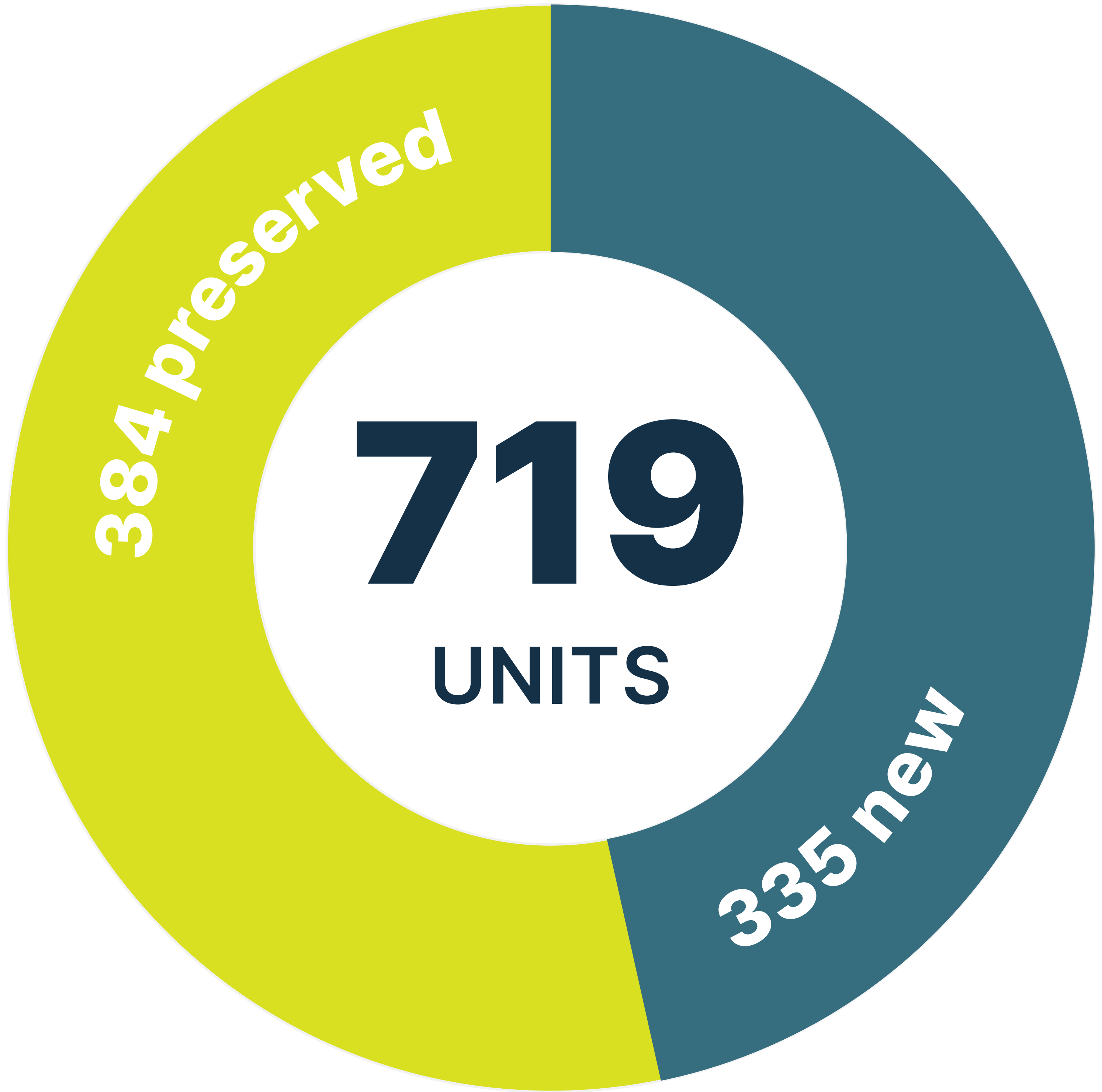
over the last three years

23

HOMEOWNERSHIP UNITS

696

MULTIFAMILY UNITS



THE RECENT PORTFOLIO REINFORCES TWO REALITIES:

rental supply is the dominant need,

and

preservation is as important as new construction.

Recent program figures provided by LFUCG Housing Advocacy & Community Development for this presentation.

PARTNERSHIP + LAND

Faith-owned land can become part of the housing solution

87

UNITS ACROSS THREE CHURCH-ASSOCIATED DEVELOPMENTS

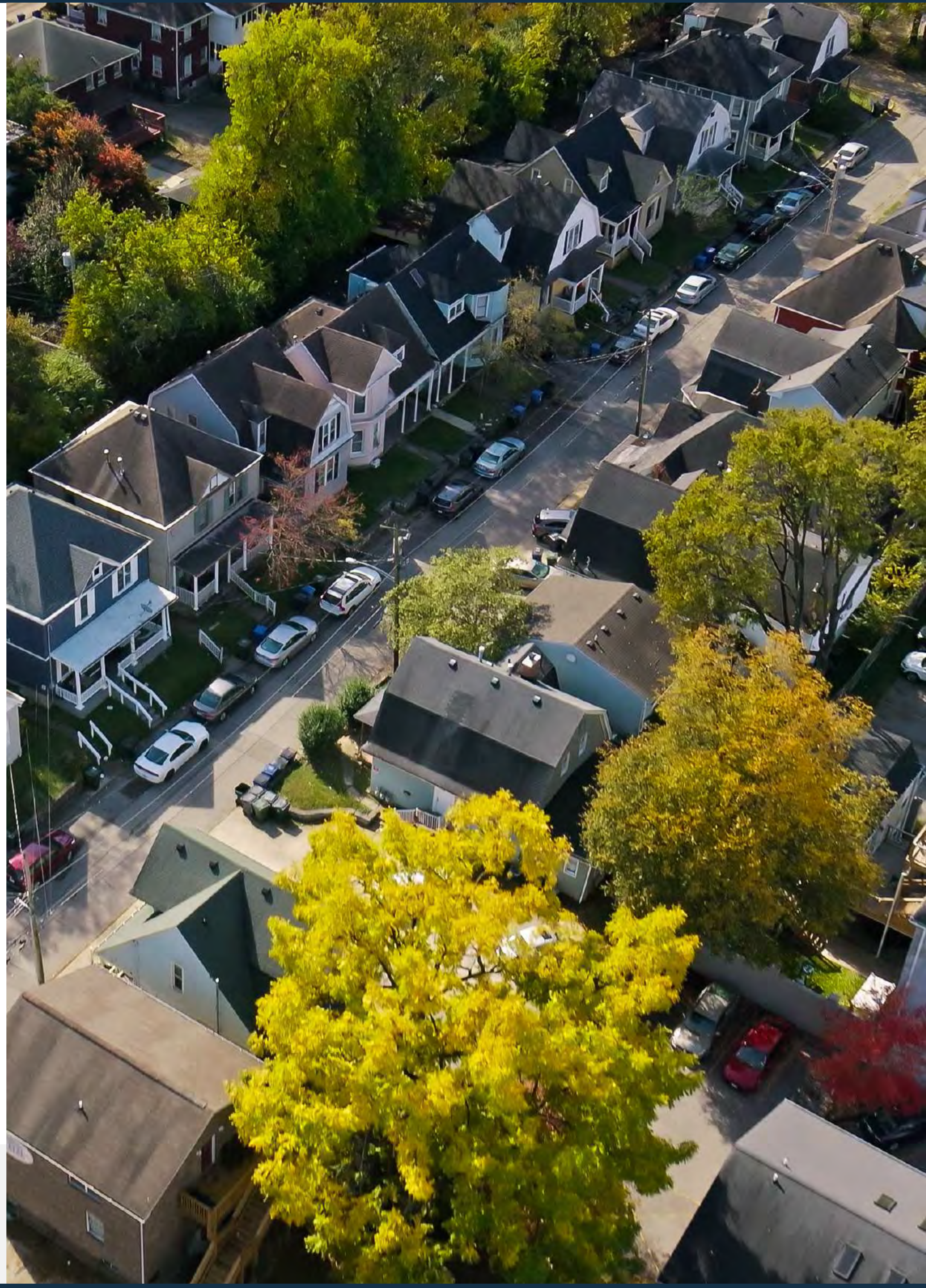
$6.90M

AFFORDABLE HOUSING FUND SUPPORT

WHY IT MATTERS

Mission-aligned land can lower a major development barrier and bring housing into established neighborhoods near community institutions.

Oaks at Woodland	38 units	$4.20M
Wellington Park	45 units	$2.00M
Open Door Housing	4 units	$698,807



Project names, unit counts and AHF allocations provided for this. presentation

TWO SIDES OF THE SAME STRATEGY

We have to preserve what exists - and produce what is missing

PRESERVE

384

UNITS PRESERVED IN THE LAST THREE YEARS

- Protect naturally occurring affordability
- Rehabilitate aging properties
- Keep residents from being priced out

PRODUCE

335

NEW UNITS FUNDED IN THE LAST THREE YEARS

- Add rental supply at the deepest need levels
- Create attainable ownership choices
- Use infill, missing middle and institutional land

Preservation is not a fallback. In a tight market, losing one affordable unit can be as damaging as failing to build one.

Recent AHF activity: 384 preserved + 335 new units

MATCH THE SOLUTION TO THE NEED

Different income bands require different housing tools

INCOME BAND	WHAT THE MARKET CHALLENGE LOOKS LIKE	TOOLS THAT FIT THE BAND
120% AMI	Workforce / “missing middle” affordability; starter-home gap.	Small-scale ownership + rental • missing-middle housing • down-payment help • ADUs / flexible infill
80% AMI	Market rent is already near the 30% affordability threshold.	HOME / AHF gap financing • LIHTC where applicable • workforce rental • attainable ownership
50% AMI	Typical market rent is well above an affordable household budget.	Deeper capital subsidy • LIHTC • project-based assistance • preservation • rental assistance
30% AMI	Largest unit gap; rent cannot be made affordable by supply alone.	Deep subsidy • NHTF / supportive housing • vouchers / project-based rental assistance • services

Program eligibility and underwriting depend on specific HUD/KHC requirements; this slide is a strategy framework.

A FIVE-PART PUBLIC STRATEGY

What Lexington can do next

01	**PRESERVE**	Protect existing affordable rentals, aging properties and subsidized units before they are lost.
02	**PRODUCE**	Increase rental and ownership supply across the income ladder — including missing-middle housing.
03	**GO DEEPER**	Target the largest gap below 30% AMI with deep subsidy, vouchers and supportive housing.
04	**UNLOCK LAND**	Use public, nonprofit and faith-owned land to lower development costs and improve location.
05	**COORDINATE**	Align housing with transit, schools, infrastructure, health, jobs and neighborhood services.

Success is not one project. It is a housing system that works from 30% to 120% AMI.

HOW AFFORDABLE HOUSING GETS BUILT

Affordable housing is financed in layers

Most Lexington projects combine several sources - land, local gap funds, equity, debt and operating support.

FINANCING LAYER	PROGRAMS / SOURCES AVAILABLE IN LEXINGTON	ROLE IN THE CAPITAL STACK
LAND + PREDEVELOPMENT	Faith/nonprofit land • KHC predevelopment • CDBG acquisition / rehab / site work	Lowers land basis and gets a site ready to finance.
LOCAL GAP CAPITAL	Lexington Affordable Housing Fund • LFUCG HOME • HOME — CHDO set-aside	Closes feasibility gaps and locks in affordability.
EQUITY + STATE / FEDERAL SUBSIDY	9% LIHTC • 4% LIHTC + tax-exempt bonds • KHC AHTF • NHTF (≤30% AMI)	Replaces debt with subsidy/equity so rents can be lower.
DEBT + OTHER GAP FINANCING	Bank / CDFI debt • FHA 221(d)(4) • FHLB Cincinnati Affordable Housing Program	Finances remaining development cost with long-term capital.
DEEPEST AFFORDABILITY	Project-Based Vouchers • HUD Section 202 senior housing • HUD Section 811 disability housing	Supports operating costs and makes very-low rents sustainable.
SPECIAL OPPORTUNITY	Historic or adaptive-reuse projects may also layer federal + Kentucky historic rehabilitation tax credits.	

Program eligibility, availability and underwriting vary by funding round and project type.

AFFORDABLE HOUSING

IS ECONOMIC INFRASTRUCTURE.

- **It keeps workers close to jobs.**
- **It gives families room to save.**
- **It supports school stability and health.**
- **It keeps Lexington open to the people who make it work.**

THE OPPORTUNITY:

BUILD A HOUSING SYSTEM THAT WORKS AT EVERY RUNG OF THE AMI LADDER.

THANK YOU.