

# 2016-2021 Analysis of Impediments to Fair Housing Choice

---

Lexington, Kentucky

September, 2016

Prepared for the  
LFUCG  
Division of Grants and Special Programs

By



# Table of Contents

---

Executive Summary.....	3
Introduction .....	12
Definitions & Data Sources.....	14
Limitations of this Analysis.....	18
Socioeconomic Overview .....	19
Protected Class Analysis.....	29
Segregation Analysis.....	48
Housing Profile.....	62
Transportation & Infrastructure Analysis.....	76
Access to Areas of Opportunity .....	80
Land Use and Zoning .....	92
Mortgage Lending Analysis .....	106
Fair Housing Organizations & Activities .....	115
Housing Discrimination Complaints and Lawsuits.....	117
Analysis of Community Input.....	138
Impediments and Recommendations .....	149
Conclusion.....	155

# Executive Summary

---

Title VIII of the Civil Rights Act of 1968, more commonly known as the Fair Housing Act, ensures protection of housing opportunity by prohibiting discrimination in the sale or rental of housing on the basis of race, color, religion, sex, and national origin (the federally protected classes). The Act was amended in 1988 to include familial status and disability status as protected classes.

The Lexington-Fayette Urban County Government (LFUCG) receives funds from the United States Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) program. As a participant in this program, LFUCG is required to complete a fair housing study known as an Analysis of Impediments to Fair Housing Choice (AI) to ensure that HUD-funded programs are being administered in a manner that furthers fair housing for federally protected classes. The goal of this study is to identify any barriers to fair housing choice for protected classes and recommend actions to address these impediments.

This Executive Summary begins with a brief overview of the study's key findings, followed by an outline of the identified impediments and recommended actions.

## Demographic Summary

- Lexington is the second largest county in the state of Kentucky and accounts for approximately 7% of the state's overall population. Lexington has experienced steady growth over the past two decades. Specifically, between 2000 and 2010, it experienced 5.1% population growth, outpacing population growth for the metropolitan area (4.7%) for the same period.
- Lexington experienced high rates of population growth for protected classes in the past decades. Some of the highest growth rates were among racial and ethnic minority groups. Between 2000 and 2010, the growth rate for Latinos was 139.2%, 74.4% for residents with two or more races, 49.5% for Asians, 31.1% for American Indians and Alaska Natives, and 21.4% for African Americans. The population growth rates for all racial and ethnic groups was more than quadruple the growth rate for Whites (4.8%) for the same time frame. Additionally, female-headed households with children increased by 21.2%.
- Eleven Lexington census tracts qualify as a racially and/or ethnically concentrated area of poverty (RCAP/ECAP). HUD defines an RCAP/ECAP as a tract with an individual poverty rate of 40% or greater and a non-White population of 50% or more. In Lexington, 8,184 African Americans (19.3% of the total African American population) are concentrated in areas of poverty.

- African American/White segregation in the Lexington metro area is moderate – of the 384 metro areas included in Brown University’s US2010 Project<sup>1</sup>, it is ranked 195<sup>th</sup>. In terms of segregation between Whites and Latinos, the Lexington-Fayette MSA is ranked 151<sup>st</sup>. In comparison, the Louisville MSA ranks 83<sup>rd</sup> for African American/White segregation and 156<sup>th</sup> for Latino/White.
- Lexington has a disability rate of 11.3%, which represents 33,899 persons. Over a third (37.5%) of Lexington’s population age 65 or older is disabled, while 8.2% of those under 65 have a disability. Over half of the people with disabilities in Lexington have a disability that inhibits ambulatory functioning and movement, and large percentages have disabilities which result in difficulties with hearing (37.4%), independent living (36.7%), and cognitive functioning (39.8%). These difficulties may not only inhibit daily functioning, but also require housing accommodation and support services.

### Housing and Affordability Summary

- Lexington has 138,832 housing units and the number of housing units has increased by 20.5% since 2000. Of the total housing stock, 8.2% is vacant, compared to 12.0% nationally. While some level of vacancy is necessary to moderate housing costs and allow for sufficient choice, high residential vacancy can be symptomatic of imbalances in the market, such as an oversupply of housing, lack of demand for available units, or lack of appropriate housing options and price points.
- Single-family detached units comprise the majority of the housing stock, making up 60.5% in Lexington and 65.1% in the Lexington-Fayette MSA. Multi-family units consist of structures with two or more units. Generally, multi-family units (particularly with five or more units in a structure) are rental units along the lines of those found in a common apartment complex. The proportion of multi-family housing with between 20 and 49 units has experienced significant growth, increasing by 56.4% in Lexington since 2000, which is comparable to state and national trends.
- Variety in terms of structure type and tenure is important in providing housing options suitable to meet the needs of all residents, including different members of protected classes. Multifamily housing, including apartments, are often more affordable than single-family homes and may be the preference of elderly or disabled householders who are unable or do not desire to maintain a single-family home.
- Median household income in Lexington is \$48,667 according to the American Community Survey. African American (\$27,376) and Latino (\$32,820) households have significantly

---

<sup>1</sup> <http://www.s4.brown.edu/us2010/>

lower median incomes than non-Latino Whites (\$55,098), and these groups are more likely to have difficulty affording housing in Lexington.

- Poverty rates throughout Lexington are high, with nearly 1 in 5 residents living below the poverty level (19.3%). Lexington's poverty rate exceeds the poverty rate for both the MSA (17.5%) and the nation (15.6%). The poverty rates for African Americans (32.0%) and Latinos (36.1%) are more than double the poverty rate of Whites (15.0%).
- The most common housing problem in Lexington is cost burdening, which occurs when households spend more than 30% of their income on housing costs. Of low- and moderate-income households, 43.7% of renters and 13.1% of owners have a cost burden. Renters make up a larger share of the cost burdened population at 23,460 households. Severe cost burdens (spending more than 50% of income on housing costs) impact 24.1% of renters and 6.2% of owners with low or moderate incomes. Combined there are a total of 17,780 households with incomes below 80% of the Lexington area's median income who spent more than half of their income on housing.

### Access to Community Resources

To assess access to areas of opportunity, HUD developed several indices that compare neighborhood poverty, school proficiency, labor market engagement, job access, and environmental health hazards by race and ethnicity. Lexington's African American and Latino residents – adults and children – face substantial opportunity gaps relative to White residents. They are far more likely to live in neighborhoods with higher poverty, less labor market engagement, and lower school proficiency. These disparities impair the ability to afford stable and decent housing and can create cyclical and generational poverty patterns that inhibit equitable housing for future generations.

### Land Use and Zoning

Because zoning codes present a crucial area of analysis for a study of impediments to fair housing choice, Lexington's zoning code was reviewed and evaluated for common fair housing issues. This analysis identified ways LFUCG can strengthen its zoning code relative to fair housing, including:

- The zoning ordinance should be amended to clarify what qualifies as temporary, as opposed to permanent housing, for persons with disabilities and to distinguish this type of housing from dwellings which are protected by the Fair Housing Act, or else do away with the differing treatment of community residences which otherwise meet the code's definition of family/housekeeping unit or functional family.

- Adopt a reasonable accommodation ordinance, which sets out specific guidelines for residents with disabilities who need to make a request for reasonable accommodation/modification.

### Mortgage Lending Analysis

- This analysis examined data collected under the Home Mortgage Disclosure Act regarding home mortgage loan applications in Lexington from 2010 to 2014. Results indicate that Whites have uniformly higher approval rates than African Americans and Asians in all income groups; in some income bands, Latinos had higher loan approval rates than any other racial or ethnic group.
- The most common reason for loan denials was credit history for Whites and African Americans. This factor was behind 30.0% of denials to Whites and 38.9% of denials to African Americans, and speaks to a household's overall long-term ability to repay home loans. Subsequent reasons for denial vary by race and ethnicity. Debt-to-income ratio, incomplete credit applications, and collateral were among the top denial reasons for each racial and ethnic group.

### Fair Housing Organizations and Activities

- The Kentucky Commission on Human Rights (KCHR) enforces Kentucky's Civil Rights Act and other federal civil rights laws, to include the Fair Housing Act. The KCHR receives housing discrimination complaints and is empowered to investigate, conciliate, or otherwise rule on them. In addition to its investigative and enforcement powers, the Commission is also required by state law to provide a comprehensive education program regarding fair housing and civil rights.
- Similar in role and function to the KCHR, Lexington has also established a Human Rights Commission empowered to receive complaints, conduct investigations, conciliate, and hold hearings regarding alleged discriminatory housing practices. The local human rights commission is also charged with collaboration with local and state organizations and agencies that support fair and affordable housing and community outreach and training on issues of fair and affordable housing.
- Most stakeholders consulted in the development of this report named the Lexington Fair Housing Council when asked about organizations that could assist with a housing discrimination issue. The Council is a nongovernmental, nonprofit fair housing agency that investigates complaints of discrimination in housing and lending throughout the state, and assists aggrieved persons with filing administrative complaints with HUD or the Human Rights Commission.

## Impediments to Fair Housing Choice

### **Impediment #1: Lack of Accessible/Special Needs Housing**

Throughout the development of this analysis, residents and key stakeholders consistently mentioned that the current housing stock is not adequate to serve the needs of special needs populations including disabled and elderly residents. A significant number of survey respondents reported that housing for disabled residents was needed “a lot” (42.07%) or somewhat (20.97%) and senior housing was needed “a lot” (34.24%) or “somewhat” (32.19%). The purchase of rental apartment complexes by new companies has displaced or decreased the availability of disabled housing per several stakeholder and resident reports. A major barrier to providing accessible housing in Lexington is older housing stock being too costly to retrofit with handicapped accessible features. Many stakeholders and residents have described affordable housing as substandard, and therefore, more likely to be non-accessible. Disabled and senior residents may also require additional supportive services, such as, case management, daily living, and navigational support in addition to structural modifications.

### **Recommendations:**

Organizations that serve persons with physical and mental disabilities, seniors, and residents with behavioral health issues are important advocates. These organizations and persons with disabilities and the elderly should be engaged as participants in housing strategy development to ensure that policies, programs, and potential funding streams are identified and included that will result in the development or rehabilitation of housing that is accessible and affordable for special needs populations. These projects should also be planned to include supportive services including counseling, case management, navigational support, assistance with activities of daily living, memory care, and socialization activities that are essential to these populations, as appropriate. LFUCG can also explore ways to incorporate special needs housing into projects supported by LFUCG’s Affordable Housing Fund. LFUCG should also:

- *Review taxation codes and implement tax exemptions for making adaptations to make a home more accessible for persons with disabilities.*
- *Conduct an assessment of accessible housing units and buildings in the region for the purpose of developing an inventory of accessible housing and providing that information to the public.*
- *Work with local housing organizations to provide a wide variety of housing services, including services to the disabled.*
- *Meet with design specialists to require and encourage housing designs that consider the needs of the disabled and other special needs populations.*

- *Provide builders and developers with information about the advantages of providing housing for this market.*

## **Impediment #2: Cost of Housing Limits Housing Choice**

The quantitative data obtained from the Census Bureau and HUD, supported by comments provided by residents, key stakeholders, and the Community Survey, demonstrate that a significant number of households in Lexington have insufficient income to afford appropriate housing and frequently exceed the recommended HUD guideline of spending no more than 30% of income on housing.

Research shows that members of protected classes are more likely to face difficulties affording housing. Minority households tend to have lower incomes. Additionally, members of protected classes, including minorities, female householders, households with children, and disabled residents, are more likely to reside in public housing or use housing choice vouchers than the population overall. Residents and stakeholder reports indicated long waiting lists for vouchers and subsidies, difficulty with having landlords accept vouchers or subsidies, and substandard housing and poor housing conditions in housing that met HUD affordability guidelines-further limiting housing choice for low-income residents and the protected classes.

### **Recommendations:**

LFUCG and its public and private sector partners should develop a long-term strategy that would serve as an ongoing affordable housing vision and that would set measurable short and long- term goals for housing production, preservation, and continued affordability. The strategy should be developed using public input and participation to increase community and stakeholder alignment and the overall success of establishing and implementing this plan and should build from the successes of the Affordable Housing Fund in forging partnerships and fiscal resources. LFUCG's housing strategy should serve as the guiding affordable housing planning instrument containing housing goals and objectives that are to be followed and are contained in both the Consolidated Plan and its Annual Action Plans. It is critical that additional non-HUD funding streams be identified and made available.

As a first step in developing a long-term affordable housing strategy, LFUCG should create a Housing Task Force with participation from the LFUCG, private developers and lenders, nonprofit advocacy groups, established and regional Fair Housing organizations (i.e. the Human Rights Commission and the Fair Housing Council), and community representatives from throughout Lexington. The Task Force should utilize information already collected and available through this analysis, from the Consolidated Plan 2016-2020, and other pertinent data sources that include input from residents and stakeholders, especially subpopulations and members of protected classes.

The strategy should focus on collaborative partnerships among task force members and other parties, which can work together to access and invest resources necessary to provide appropriate types of affordable and accessible housing for residents of Lexington. The Task Force should include representatives from organizations that serve persons who are members of Protected Classes under the Fair Housing Act and special needs populations. The Task Force should continually monitor progress in achieving plan goals on an annual basis and report this information to LFUCG and Lexington residents.

To provide a mechanism to implement the plan, LFUCG should partner with private sector housing developers and lenders, municipalities, newly established and regional Fair Housing organizations, nonprofit organizations and representatives from other community organizations from all parts of Lexington to develop programs and funding options that will provide new and rehabilitated affordable rental housing for lower income and protected class households. LFUCG should also:

- *Encourage private developers to construct affordable housing.*
- *Determine locations for the development of affordable housing and work with local non-profits to acquire land for affordable units.*
- *Continue Homeownership Programs throughout the jurisdiction, providing homeownership opportunities to low-and moderate- income persons.*
- *Implement an inclusionary zoning policy aiding in the development of affordable housing.*
- *Continue the use of Community Development Block Grant Funds (CDBG) and HOME Investment Partnership Funds (HOME) for housing rehabilitation activities to maintain the region's affordable housing stock.*
- *Work with housing organizations to continue efforts and collaborations on affordable housing and other fair housing needs.*

### **Impediment #3: High Concentrations of Low Income Housing with decreased access to areas of opportunity**

Community meetings, stakeholder interviews, and field observations indicated high concentrations of low-income housing in specific areas of Lexington. Residents of these communities were more likely to be racial and ethnic minorities. Segregation in Lexington is moderate, but the opportunity indices show that African Americans tend to live in neighborhoods with lower opportunity levels than whites for all groups (total population, poverty, children, and children in poverty). This reality is especially demonstrated in relation to the poverty index, school proficiency index, and labor market engagement index, and is indicative of resident and stakeholder reports and opinions expressing that resources tend to be of better quality and more accessible in higher income neighborhoods than others. A majority of respondents say bus service, schools, parks, and code enforcement are not

equally provided. Field observations and stakeholder and resident reports indicated substandard housing, food deserts, and lack of access to shopping and neighborhood amenities in low-income and minority neighborhoods.

In relation to housing, census tracts designated as being racially and/or ethnically concentrated areas of poverty (RCAP/ECAPs) have a higher vacancy rate versus Lexington as a whole, and also contain older homes and less homeownership. Field observations revealed many abandoned or substandard housing units. Subsidized housing is heavily concentrated in RCAP/ECAPs, including public housing, households using housing choice vouchers, and project based Section 8 units. Stakeholders and residents reported landlords in some areas who would not accept Section 8 vouchers, further concentrating low-income housing.

### **Recommendations:**

Lexington has made significant efforts in de-concentrating low-income housing including two HOPE VI projects. LFUCG should continue to pursue innovative strategies for comprehensive neighborhood revitalization, balancing community development needs in low-opportunity areas with the need to also invest in affordable, accessible housing in higher-opportunity areas.

- *Dedicate HUD funding to concentrated low-income areas and RCAP/ECAP areas, to provide infrastructure improvements, home-buyer education programming, and down payment assistance.*
- *Focus future development of new affordable housing outside RCAP/ECAP areas/communicate this strategy to developers and non-profit partners/prioritize funding to projects achieving this goal.*
- *Encourage the de-concentration of poverty by expanding areas where housing vouchers may be used/educate and provide incentives to landlords.*
- *Develop an evaluation tool to monitor planning and public investments by local and regional entities and advocate for opportunities to provide public infrastructure that promotes housing choice in areas of opportunity.*

### **Impediment #4: Mortgage Lending Practices Reduce Homeownership Opportunities for Racial and Ethnic Minorities**

According to Home Mortgage Disclosure Act (HMDA) data regarding mortgage lending, minority applicants for home purchase loans were denied mortgages more frequently than non-Latino Whites, with African Americans having approval rates of 81.7% compared to 88.5% for Whites. A comparison of loan outcomes by applicant race/ethnicity shows that Whites have higher approval ratings than African Americans in all income groups.

**Recommendations:**

LFUCG should pursue the following strategies:

- *Perform testing in areas where data indicate disparities for housing loan approvals among Whites and African Americans, and other non-white racial and ethnic groups*
- *Engage the public by holding public meetings that are held at times and locations convenient to the general public and ensuring that accommodations are accessible to all persons*
- *Outreach efforts should be conducted to ensure that minority households have sufficient access to and information about homebuyer counseling and other forms of assistance.*
- *Educational and outreach efforts to minorities should specifically focus on predatory lending practices*
- *Study or audit mortgage lending and underwriting practices to determine if any “predatory” lending or discriminatory practices limit Fair Housing Choice.*
- *Advocacy and intervention by the Human Rights Commission that monitors fair housing compliance, investigates individual claims of discrimination, and brings enforcement actions when necessary*
- *Publicize fair housing enforcement actions, lawsuits, and education to help focus attention on lender practices that violate fair housing laws*

HMDA data also shows that debt-to-income ratios, poor credit history, and lack of collateral were the main reasons for loan denial, indicating poor financial history of potential homebuyers which can inhibit homeownership and decrease housing affordability (due to increased interest rates). LFUCG should pursue the following strategies to ensure fair housing choice in relation to home ownership:

**Recommendations:**

- *Implement financial management programs and identify resources for financial counseling and training for residents to learn financial responsibility including how to have good credit, finding financial resources, and making good financial choices.*
- *Continue to implement Homeownership Programs to assist families with homeownership opportunities and in obtaining employment allowing low-and moderate – income persons to become self-sufficient.*

# Introduction

---

Equal access to housing choice is crucial to America's commitment to equality and opportunity for all. Title VIII of the United States Civil Rights Act of 1968, more commonly known as the Fair Housing Act, provides housing opportunity protection by prohibiting discrimination in the sale or rental of housing on the basis of race, color, religion, sex, and national origin. The Act was amended in 1988 to provide stiffer penalties, establish an administrative enforcement mechanism and to expand its coverage to prohibit discrimination on the basis of familial status and disability. The U.S. Department of Housing and Urban Development (HUD), specifically HUD's Office of Fair Housing and Equal Opportunity (FHEO), is responsible for the administration and enforcement of the Fair Housing Act and other civil rights laws.

Provisions to affirmatively further fair housing (AFFH) are basic long-standing components of HUD's housing and community development programs. The AFFH requirements are derived from Section 808(e) (5) of the Fair Housing Act which requires the Secretary of HUD to administer the Department's housing and urban development programs in a manner to affirmatively further fair housing.<sup>2</sup>

Local communities that receive grant funds from HUD through its entitlement process satisfy this obligation by performing an "Analysis of Impediments to Fair Housing Choice" (AI) within their communities and developing and implementing strategies and actions to overcome any impediments to fair housing choice based on their history, circumstances, and experiences. Through this process, local entitlement communities promote fair housing choices for all persons, including protected classes under the Fair Housing Act, and provide opportunities for racially and ethnically inclusive patterns of housing occupancy, identify structural and systemic barriers to fair housing choice, and promote housing that is physically accessible and usable by persons with disabilities. Mosaic Community Planning assisted Lexington-Fayette Urban County Government (LFUCG) with the preparation of this Analysis of Impediments to Fair Housing Choice.

HUD will presume that the grantee is meeting its obligation and certification to affirmatively further fair housing by taking actions that address the impediments, including:

- Analyzing and eliminating housing discrimination within the jurisdiction;
- Promoting fair housing choice for all persons;
- Providing opportunities for racially and ethnically inclusive patterns of housing occupancy;

---

<sup>2</sup> U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 1: Fair Housing Planning Historical Overview, Page 13)*. March 1996.

- Promoting housing that is physically accessible to all persons to include those persons with disabilities; and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.

Through its Community Planning and Development (CPD) programs, HUD's goal is to expand mobility and widen a person's freedom of choice. The Department also requires Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Program grantees to document AFFH actions in the annual performance reports that are submitted to HUD.

# Definitions & Data Sources

---

## Definitions

**Affirmatively Further Fair Housing** – In keeping with the latest proposed guidance from HUD, to Affirmatively Further Fair Housing Choice (AFFH) is to comply with “the 1968 Fair Housing Act’s obligation for state and local governments to improve and achieve more meaningful outcomes from fair housing policies, so that every American has the right to fair housing, regardless of their race, color, national origin, religion, sex, disability or familial status.”<sup>3</sup>

**Fair Housing Choice** - In carrying out its Analysis of Impediments to Fair Housing Choice, LFUCG used the following definition of “Fair Housing Choice”:

- The ability of persons of similar income levels to have available to them the same housing choices regardless of race, color, religion, sex, national origin, familial status, or handicap.

**Impediments to Fair Housing Choice** - As adapted from the HUD *Fair Housing Planning Guide*, impediments to fair housing choice are understood to include:<sup>4</sup>

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices.
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

**Protected Classes** – The following definition of federally protected classes is used in this document:

- Title VIII of the Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes.

---

<sup>3</sup> U.S. Department of Housing and Urban Development. “HUD Publishes New Proposed Rule on Affirmatively Furthering Fair Housing Choice.” Press Release No. 13-110. July 19, 2013.

<sup>4</sup> U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 2: Preparing for Fair Housing Planning, Page 2-17)*. March 1996.

**Affordable** - Though local definitions of the term may vary, the definition used throughout this analysis is congruent with HUD's definition:

- HUD defines as "affordable" housing that costs no more than 30% of a household's total monthly gross income. For rental housing, the 30% amount would be inclusive of any tenant-paid utility costs.
- For homeowners, the 30% amount would include the mortgage payment, property taxes, homeowners insurance, and any homeowners' association fees.

## Data Sources Used in this Analysis

**Decennial Census Data** – Data collected by the Decennial Census for 2010 and 2000 is used in this Assessment (older Census data is only used in conjunction with more recent data in order to illustrate trends). The Decennial Census data is used by the U.S. Census Bureau to create several different datasets:

- 2010 and 2000 Census Summary File 1 (SF 1) – This dataset contains what is known as “100% data”, meaning that it contains the data collected from every household that participated in the Census and is not based on a representative sample of the population. Though this dataset is very broad in terms of coverage of the total population, it is limited in the depth of the information collected. Basic characteristics such as age, sex, and race are collected, but not more detailed information such as disability status, occupation, and income. The statistics are available for a variety of geographic levels with most tables obtainable down to the census tract or block group level.
- 2000 Census Summary File 3 (SF 3) – Containing sample data from approximately one in every six U.S. households, this dataset is compiled from respondents who received the “long form” Census survey. This comprehensive and highly detailed dataset contains information on such topics as ancestry, level of education, occupation, commute time to work, and home value. The SF 3 dataset was discontinued for the 2010 Census, but many of the variables from SF 3 are included in the American Community Survey.

**American Community Survey (ACS)** – The American Community Survey is an ongoing statistical survey that samples a small percentage of the U.S. population every year, thus providing communities with more current population and housing data throughout the 10 years between censuses. This approach trades the accuracy of the Decennial Census Data for the relative immediacy of continuously polled data from every year. ACS data is compiled from an annual sample of approximately 3 million addresses rather than an actual count (like

the Decennial Census's SF 1 data) and therefore is susceptible to sampling errors. This data is released in two different formats: single-year estimates and multi-year estimates.

- 2014 ACS 1-Year Estimates – Based on data collected between January 2014 and December 2014, these single-year estimates represent the most current information available from the U.S. Census Bureau, however; these estimates are only published for geographic areas with populations of 65,000 or greater.
- ACS Multi-Year Estimates – More current than Census 2010 data and available for more geographic areas than the ACS 1-Year Estimates, this dataset is one of the most frequently used. Because sampling error is reduced when estimates are collected over a longer period of time, 5-year estimates will be more accurate (but less recent) than 3-year estimates. ACS datasets are published for geographic areas with populations of 20,000 or greater. The 2010-2014 ACS 5-year estimates are used most often in this assessment.

**Previous Works of Research** – This AI is supported by, and in some cases builds upon, previous works of significant local research conducted for and by LFUCG. These include the following:

- 2014-2015 Annual Report of the Lexington-Fayette Urban County Human Rights Commission – This report contains an account of the work of the Commission, including education, awareness, and compliance activities. The report also provides data on discrimination cases reported to and investigated by the Commission.
- 2013 State of Fair and Affordable Housing Report for Lexington-Fayette Urban County, Kentucky – Produced by the Lexington-Fayette Human Rights Commission, this report contains detailed demographic data, a profile of housing and subsidized housing in Lexington, and draws conclusions about factors limiting housing fairness and choice.
- 2009 Analysis of Impediments to Fair Housing Choice in Lexington-Fayette County, Kentucky – This document is the immediate predecessor to this Analysis. It contained a fair housing profile, statistical data and maps, and findings and recommendations regarding impediments to fair housing choice.

## Stakeholder Engagement

**Survey** – In conjunction with development of the 2016-2020 Analysis of Impediments to Fair Housing, Lexington conducted a survey to collect input from a broad spectrum of the residents. Respondents were asked to rate needs from lowest to highest priority for various housing, homeless, public service, community facility, infrastructure, and economic

development needs. The survey also included questions specifically dealing with fair housing, housing discrimination, and access to community resources. In all, 159 survey responses were received.

**Stakeholder Interviews** – Key community stakeholders were identified, contacted, and invited to attend a public meeting or participate in an individual interview. These stakeholders included LFUCG staff and representatives of nonprofit organizations, community service providers, housing developers/managers, real estate agents, and special needs populations. Representatives from 25 organizations attended community meetings and 24 participated in interviews.

**Community Meetings** – Two public meetings were held to provide a forum for residents and other interested parties to contribute to the identification of problems, issues, and barriers to fair housing choice for this AI. In total, the meetings had 16 attendees. Public comments received at the meetings were compiled and summarized for inclusion in the AI where relevant.

**Tuesday, April 26, 2016 at 6 PM**

Division of Adult and Tenant Services  
1055 Industry Boulevard  
Lexington, Kentucky 40505

**Wednesday, April 27, 2016 at 2 PM**

Division of Adult and Tenant Services  
1055 Industry Boulevard  
Lexington, Kentucky 40505

## Limitations of this Analysis

---

This report analyzes the current fair housing climate, identifies impediments to fair housing choice and equity, and recommends strategies for overcoming the identified impediments. Some of the impediments identified in this report will require additional research and on-going analysis. This report is not intended to constitute a fair housing action plan or any other type of community plan; however, it should be a key resource for such plans as they are developed.

HUD's primary guidance for developing Analyses of Impediments is found in the Fair Housing Planning Guide, published in 1996. Since that time, HUD's approach to fair housing has evolved significantly and formal guidance is being developed. In 2015, HUD released a final rule titled "Affirmatively Furthering Fair Housing" that outlines significant changes to the development of local fair housing studies and introduced a new fair housing report format called an Assessment of Fair Housing (AFH). While LFUCG is not yet required to develop an AFH, the methodology and components of this AI, to the greatest extent possible, meet both the AFH criteria as well as the traditional AI requirements found in the Fair Housing Planning Guide.

While licensed attorneys with land use and fair housing experience have participated in the research contained herein, no portion of this Analysis shall constitute or be relied upon as legal advice or as a legal opinion.

Throughout this analysis, the authors have made careful choices regarding which datasets to use. The choice of a dataset often involves tradeoffs among criteria. For example, more recent datasets often have a limited number of data variables available for analysis. Additionally, there is the unavoidable tradeoff between geographic and socio-economic detail (less detailed data for smaller geographies) that sometimes restricts the availability of data. Also, the detailed definitions of data variables can change over time limiting their comparability.

Finally, all source data used in the preparation of this analysis is assumed to be accurate, whether from national sources (e.g. the U.S. Census Bureau), local sources, or proprietary sources (e.g. the National Low Income Housing Coalition's *Out of Reach* report).

## Socioeconomic Overview

This section presents demographic and economic information collected from the Census Bureau, the Bureau of Economic Analysis, the Bureau of Labor Statistics, and other sources. Data was used to analyze a broad range of socioeconomic characteristics, including population growth, age, employment, income, and poverty. Ultimately, the information presented in this section helps illustrate the underlying conditions that have shaped housing and community needs in Lexington.

To supplement 2000 and 2010 census data, information for this analysis was also gathered from the Census Bureau’s American Community Survey (ACS). The ACS data covers similar topics as the decennial counts, but also includes data not appearing in the 2010 census such as household income and poverty. The key difference in these datasets is that ACS data represents samples as opposed to a 100 percent count; however, population distributions from the ACS data can be compared to those from the census.

### Population Dynamics

Lexington is the 2<sup>nd</sup> largest county by population in the state of Kentucky and the 61st largest county in the country. Lexington has approximately 7% of the state’s overall population. According to the U.S. Census 2010-2014 American Community Survey (ACS), Lexington’s current population is 310,797 residents. Lexington, as well as the MSA, has experienced a slight population growth over the last decade. Lexington's population grew by 5.1% and the metropolitan area grew by 4.7% from 2010 to 2014. The estimated population of the metropolitan statistical area (MSA), which is comprised of Bourbon, Clark, Fayette, Jessamine, Madison, Scott, and Woodford counties, is 494,189. Similarly, Kentucky and the U.S. overall population showed significant growth since 1990 at 1.7% and 3.3%, respectively.

Population and Household Growth in Lexington, Kentucky				
	1990	2000	2010	2014
Population	225,366	260,512	295,803	310,797
Population Growth Rate		15.6%	13.5%	5.1%
Households		108,288	123,043	127,412
Household Growth Rate			13.6%	3.6%

Sources: U.S. Census 1990, 2000 SF1 Tables P001 and H003 and 2010 SF1 Tables P1 and H3; 2014 1-Year American Community Survey Tables B01003 and B25002

## Population by Age

Lexington has a slightly younger population than the Lexington-Fayette MSA, Kentucky and the U.S. Although the median age in Lexington has increased from 33 years in 2000 to 33.7 years in 2010, the median age in Lexington was still less than in the region (35.1 years), Kentucky (38.1 years) and the U.S. (37.2 years) in 2010. Compared to the Lexington-Fayette MSA, Kentucky and the U.S., Lexington has the greatest proportion of people aged 18 to 64, which is 89.5% of the population.

Population by Age in Lexington, Kentucky					
Age	2000		2010		2000-2010 % Change
	Count	Share of Total	Count	Share of Total	
Under 5 years	16,146	6.2%	19,145	6.5%	18.6%
5 to 19	49,080	18.8%	54,652	18.5%	11.4%
20 to 24	28,355	10.9%	30,567	10.3%	7.8%
25 to 34	44,542	17.1%	49,233	16.6%	10.5%
35 to 54	76,315	29.3%	79,198	26.8%	3.8%
55 to 64	19,900	7.6%	31,870	10.8%	60.2%
65 to 74	13,890	5.3%	16,943	5.7%	22.0%
75 and over	12,284	4.7%	14,195	4.8%	15.6%
<b>Total</b>	<b>260,512</b>	<b>100.0%</b>	<b>295,803</b>	<b>100.0%</b>	<b>13.5%</b>
<b>Median Age</b>	<b>33.0 years</b>		<b>33.7 years</b>		<b>2.1%</b>

Source: 2000 Census SF1 Table P012 and 2010 Census SF1 Table P12

## Economic Overview

While income affects a household's housing choice by limiting or expanding their housing options, a person's earning potential may be influenced by their association with one or more protected classes. There is a strong relationship between household income, household type, race/ethnicity, and other factors. These relationships often create misconceptions and biases that could raise fair housing concerns. A major factor in determining family income is the type of occupation of its residents.

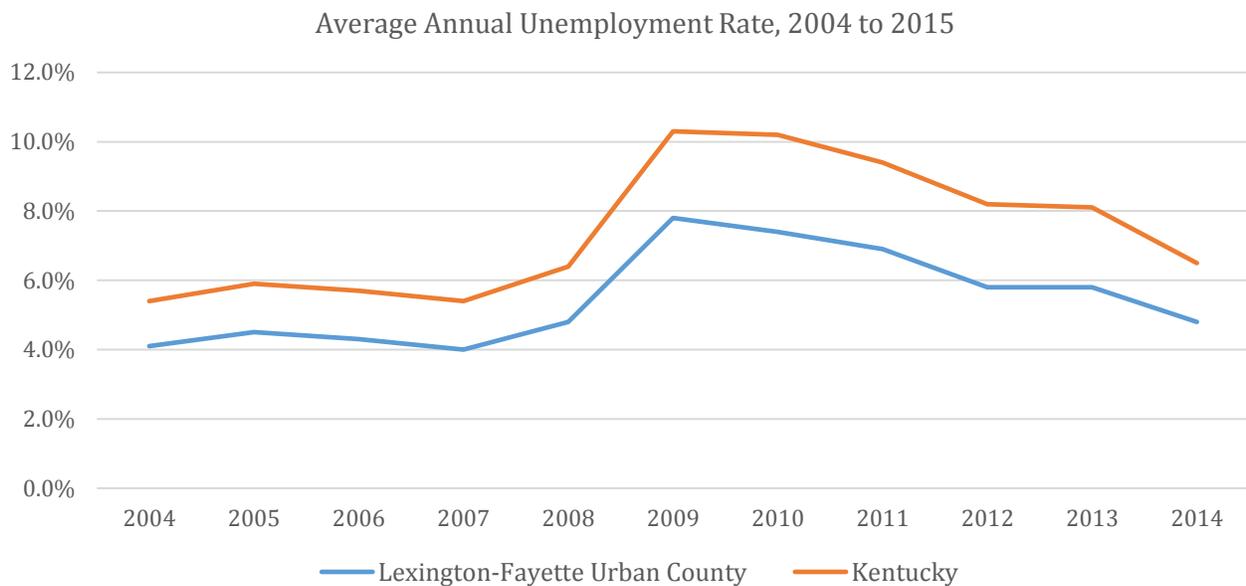
## Labor Force and Total Employment

Data regarding the labor force, defined as the total number of persons working or looking for work, and employment, or the number of persons working, as gathered from Bureau of Labor Statistics estimates are presented below. As shown, labor force and employment figures in Lexington reflect a gradual decline in the unemployment rate since 2011. However,

the unemployment rate in Lexington has consistently remained lower than the unemployment rate in the state of Kentucky.

Average Annual Unemployment Rates, 2011 to 2015					
Jurisdiction	2011	2012	2013	2014	2015
Lexington, Kentucky	6.9%	5.8%	5.8%	4.8%	3.9%
State of Kentucky	9.4%	8.2%	8.1%	6.5%	5.4%

Source: Bureau of Labor Statistics Local Area Unemployment, <http://www.bls.gov/lau/lamtrk09.htm>



According to the Greater Lexington Chamber of Commerce, the major private-sector employers in Lexington included the University of Kentucky, Fayette County Public Schools, Xerox and the Lexington-Fayette County Government. The table below depicts the top 15 employers in Lexington.

<b>Lexington Top Employers, 2016</b>	
<b>Employer</b>	<b>Number of Employees</b>
University of Kentucky	13,250
Fayette County Public Schools	5,427
Xerox	3,000
Lexington-Fayette Urban County Government	2,821
KentuckyOne Health	2,450
Baptist Health	2,443
Lexmark International	2,157
WalMart	2,027
Veterans Medical Center	1,565
Amazon.com	1,300
Lockheed Martin	1,100
Cardinal Hill Rehabilitation Hospital	1,000
Trane Lexington	1,000
Webasto Roof Systems	760
Link-Belt Construction Equipment Company	750

Source: Greater Lexington Chamber of Commerce, retrieved from <http://www.locateinlexington.com/Data-Facts-Figures-Major-Employers.aspx>

In Lexington, one third of civilians are employed in the following three industries: Health care and social assistance (14.8%), Retail Trade (13.3%), and Accommodation and Food Service (11.9%). As of 2014, the top employment industries in Lexington, based on percentage of employment for the overall workforce, were:

<b>Employment by Industry in Lexington, Kentucky, 2014</b>			
<b>Industry Sector</b>	<b>Employment</b>	<b>Share of Total</b>	<b>Average Annual Wages</b>
Agriculture, forestry, fishing, and hunting	1,651	1.1%	\$39,754
Mining	346	0.2%	\$87,854
Utilities	225	0.1%	\$76,337
Construction	7,348	4.7%	\$51,683
Manufacturing	12,304	7.9%	\$68,002
Wholesale Trade	5,971	3.8%	\$57,764
Retail Trade	20,742	13.3%	\$26,268
Transportation and warehousing	8,181	5.2%	\$44,804
Information	5,395	3.4%	\$43,226
Finance and insurance	5,058	3.2%	\$71,196
Real estate	2,569	1.6%	\$34,591
Services			
Professional and technical services	11,049	7.1%	\$64,364
Management of companies	2,193	1.4%	\$101,364
Administrative and waste services	14,627	9.3%	\$25,349
Educational services	2,213	1.4%	\$28,368
Healthcare and social assistance	23,234	14.8%	\$51,853
Arts, entertainment, and recreation	3,205	2.0%	\$20,959
Accommodation and food services	18,677	11.9%	\$16,664
Other services	5,086	3.2%	\$33,790
Public administration	6,432	4.1%	\$52,959
<b>Total</b>	<b>156,506</b>	<b>100.0%</b>	<b>\$43,007</b>

Note: This table excludes rows with suppressed employment and wages.

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages, Retrieved from [http://www.bls.gov/cew/apps/data\\_views/data\\_views.htm#tab=Tables](http://www.bls.gov/cew/apps/data_views/data_views.htm#tab=Tables)

## **Income and Poverty**

To understand income distribution, the relationship between employment and the workforce must be examined. Income and earning dynamics are important to assessing

community needs related to ability to access housing, healthcare, food, and other quality of life indicators.

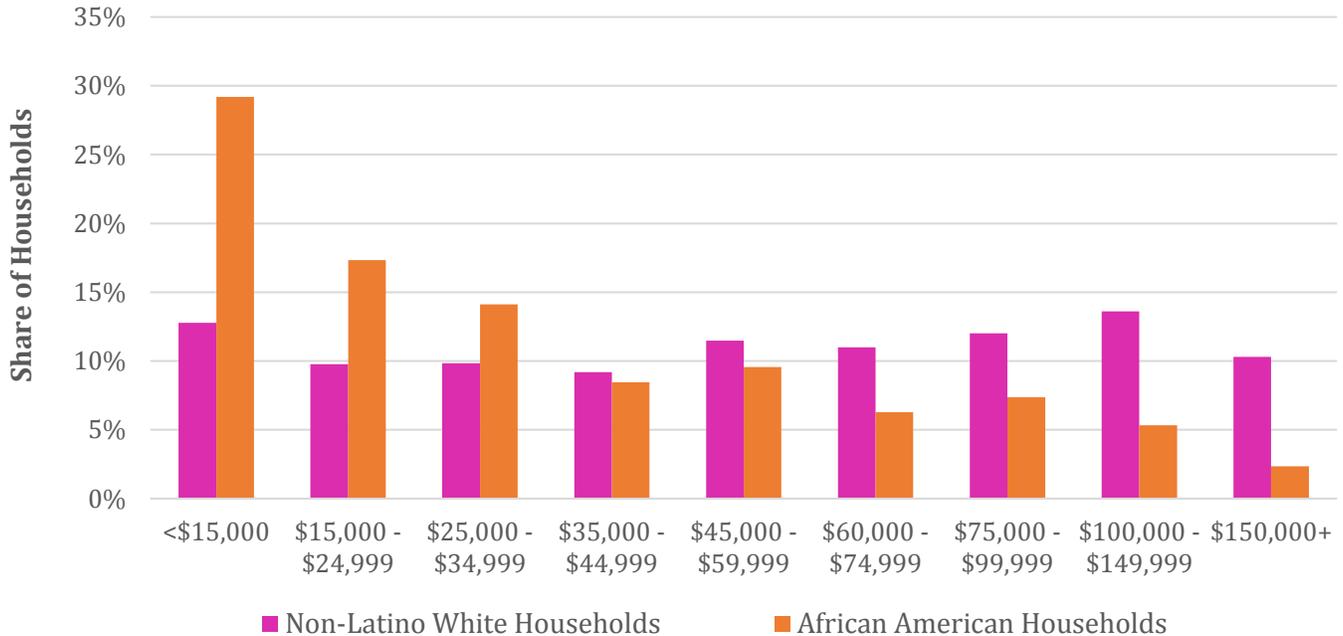
The median household income is lower in Lexington compared to the Lexington-Fayette MSA and the U.S. According to the 2010-2014 ACS, the 2014 median income in Lexington was \$48,667, lower than the MSA at \$49,997 and the U.S. at \$53,482. Lexington’s median income was higher than the state median income at \$43,342. The median income in Lexington increased 14.5% from 2000 to 2014, which was less of an increase than in the MSA at 17.3% but higher than Kentucky (6.9%) and the U.S. (10.1%).

<b>Households by Income in Lexington, Kentucky</b>					
<b>Income Range</b>	<b>2000</b>		<b>2010-2014</b>		<b>2000 to 2010-2014 % Change</b>
	<b>Count</b>	<b>Share of Total</b>	<b>Count</b>	<b>Share of Total</b>	
Less than \$10,000	11,076	10.2%	11,714	9.4%	5.8%
\$10,000 to \$14,999	7,669	7.1%	7,463	6.0%	-2.7%
\$15,000 to \$24,999	15,426	14.2%	14,411	11.6%	-6.6%
\$25,000 to \$34,999	13,862	12.8%	13,124	10.6%	-5.3%
\$35,000 to \$49,999	17,501	16.1%	16,847	13.6%	-3.7%
\$50,000 to \$74,999	20,068	18.5%	20,894	16.8%	4.1%
\$75,000 to \$99,999	10,334	9.5%	13,836	11.1%	33.9%
\$100,000 to \$149,999	7,527	6.9%	14,832	12.0%	97.1%
\$150,000 to \$199,999	2,227	2.1%	5,458	4.4%	145.1%
\$200,000 or more	2,721	2.5%	5,522	4.4%	102.9%
<b>Total</b>	<b>108,411</b>	<b>100.0%</b>	<b>124,101</b>	<b>100.0%</b>	<b>14.5%</b>
<b>Median Household Income</b>	<b>\$39,813</b>		<b>\$48,667</b>		<b>22.2%</b>

Source: 2000 Census SF1 Tables P052 and P053 and 2010-2014 5-Year American Community Survey Tables B19001 and B19013

Geographic division by income is seen as a problem for areas trying to racially and ethnically integrate, especially when income can be related to race, ethnicity, and other factors related to protected class. There are a higher percentage of minority households earning less than the area median family income compared to non-minority households. African American households in Lexington have higher rates of income distribution below \$15,000 (29%), which is more than double that of Whites (12%).

### Household Income Distribution, 2010-2014



Source: 2010-2014 5-Year American Community Survey Tables B19001B and B19001H

As the chart below indicates, the racial and ethnic minority populations in Lexington are younger in age and have lower incomes compared to Whites. African American unemployment (14.2%) is double the rate of Whites (6.9%).

Socioeconomic Indicators by Race/Ethnicity in Lexington, Kentucky				
Race/Ethnicity	Median Age (in years)	Median Income	Poverty Rate	Unemployment Rate
Non-Latino White	36.4	\$55,098	15.0%	6.9%
African American	31.8	\$27,376	32.2%	14.2%
Asian	31.1	\$63,844	15.9%	4.7%
Latino	25.5	\$32,820	36.1%	7.4%
<b>Total Population</b>	<b>33.7</b>	<b>\$48,667</b>	<b>19.3%</b>	<b>8.0%</b>

Sources: 2010 Census SF1 Tables P13, P13B, P13D, P13H, P13I and 2010-2014 5-Year American Community Survey Tables B17001, B17001B, B17001D, B17001H, B17001I, B19013, B19013B, B19013D, B19013H, B19013I, B23025, C23002B, C23002D, C23002H, C23002I

### Poverty

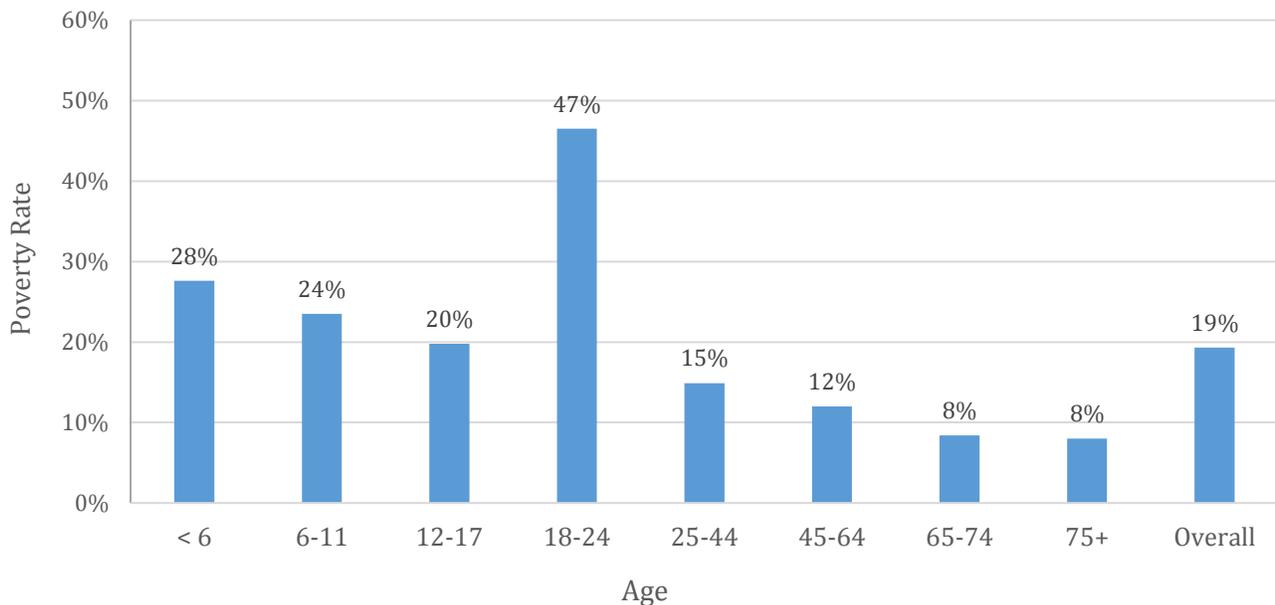
Although it is important to understand the income distribution, it is also important to understand the characteristics of the families and individuals in the lowest income

categories that may be most vulnerable to housing discrimination because of their lack of income. Poverty describes individuals and families receiving the least amount of income. In addition, living in poverty or near others living in poverty can be an external stressor for families. The following describes residents of Lexington who live in poverty.

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine poverty status. If a family's total income is less than the threshold for its size, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index. The official poverty definition counts income before taxes and does not include capital gains and non-cash benefits such as public housing, Medicaid, and food stamps. Further, poverty is not defined for persons in military barracks, institutional group quarters, or for unrelated individuals under age 15 such as foster children.

According to the most recent federal poverty guidelines a one-person household earning below \$11,880 is considered living in poverty and a family of four earning below \$24,300 is living below the poverty line (2016 Federal Poverty Guidelines). According to the 2010-2014 ACS, the poverty rate was much higher in Lexington at 19.3% compared to the Lexington-Fayette MSA (17.5%), Kentucky (18.9%) and the U.S. (15.6%). The age group with the greatest percentage (47%) of poverty is 18-24.

**Poverty Rate by Age in Lexington, Kentucky, 2010-2014**



Source: 2010-2014 5-Year American Community Survey Tables B17001

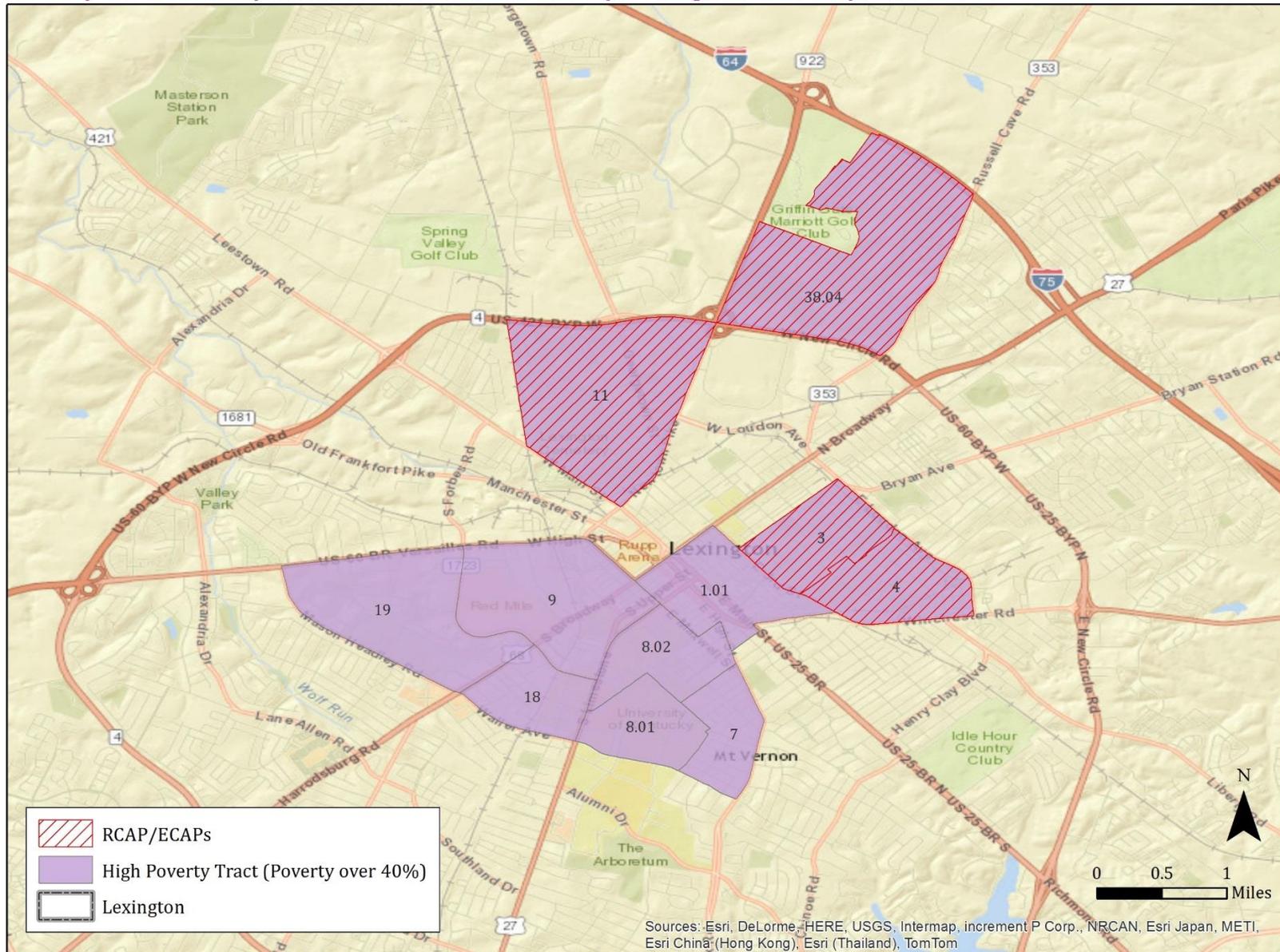
## Racially and Ethnically Concentrated Areas of Poverty (RCAP/ECAPs)

This study uses a methodology developed by HUD to identify and analyze racially and/or ethnically concentrated areas of poverty (RCAP/ECAPs). HUD defines an RCAP/ECAP as a census tract with an individual poverty rate of 40% or greater and a non-White population of 50% or more. The map on the following page identifies RCAP/ECAPs in Lexington, which includes 11 tracts. As the table below shows, Lexington has areas of racial and ethnic concentrated poverty in which 8,184 African Americans are concentrated in areas of poverty.

<b>RCAP/ECAP Population by Race and Ethnicity</b>		
<b>Race/Ethnicity</b>	<b>Count</b>	<b>Share</b>
Non-Latino	11,657	77.0%
White	3,107	20.5%
African American	8,184	54.0%
Native American	22	0.1%
Asian	10	0.1%
Pacific Islander	0	0.0%
Some Other Race	56	0.4%
Two or More Races	278	1.8%
Latino	3,487	23.0%
<b>Total Population</b>	<b>15,144</b>	<b>100.0%</b>
<b>Total Non-White Population</b>	<b>12,037</b>	<b>79.5%</b>

Source: 2010-2014 5-Year American Community Survey Table B03002

## Racially and Ethnically Concentrated Areas of Poverty, Lexington, Kentucky, 2010-2014



Source: 2010-2014 5-Year American Community Survey Tables B03002 and B17001

## Protected Class Analysis

---

The Fair Housing Act and similar state fair housing laws list seven prohibited bases for housing discrimination:<sup>5</sup> race, color, national origin, gender, familial status, disability, and religion. The socioeconomic analysis appearing earlier in this report contains information on race, ethnicity, and other related factors, but is concerned with Lexington's composition as a whole. This protected class analysis addresses each of the federally protected groups and their geographic distribution within Lexington to illustrate where concentrations exist.

This protected class analysis does not attempt to answer the question of why concentrations occur, but instead creates a lens through which other community features and conditions mapped and discussed in this report may be viewed. For example, maps of transit service areas, high poverty areas, or HUD-assisted housing units (all appearing later in this report) can be compared with the maps in this section to determine the degree to which these factors impact areas of protected class concentrations. Taken together with this further analysis of affordable housing, labor market participation, education, land use, and other issues, the report as a whole attempts to provide answers as to why protected class concentrations exist where they do.

### Race and Ethnicity

The Fair Housing Act prohibits discrimination by race and color. Although income, educational achievement, English proficiency, and housing status are not determined by race, ethnicity, or color, there is a strong correlation that can be found in current data. There is no information collected by the U.S. Census that specifically addresses the protected class of color. Instead, data and information based on race and ethnicity, and sometimes even national origin, can serve as a proxy for color. When determining descriptive statistics of Lexington and region on the basis of color, this report will use race information to also describe color.

As of 2010, the majority of the population within Lexington was non-Latino White (73.0%); Latinos made up only 6.9% of the population. Between the 2000 and 2010 censuses, Lexington's population grew by 13.5%, with the growth of some racial and ethnic groups far exceeding the overall population growth rate. Though representing a relatively minor absolute increase in number of residents (11,913), the size of Lexington's Latino population grew by 139.2%, followed by populations with two or more races (74.4%), Asian (49.5%), American Indian/Alaskan (31.1%) and African American (21.4%) groups.

---

<sup>5</sup>Live Free: Annual Report on Fair Housing FY 2010, U.S. Department of Housing and Urban Development.

The non-Latino White population grew significantly more slowly than Lexington’s population overall (4.8%). These patterns indicate a general trend toward increased diversity of Lexington’s population, a growth pattern that is reflective of the state and nation as well. In comparison, the state of Kentucky’s Asian, African American, and Latino populations grew by 64.6%, 13.4%, and 121.6% respectively over the same period. Nationally, the Latino population was the fastest-growing segment between 2000 and 2010, increasing by 43.0%, and the populations of all other minority groups grew at faster rates than the non-Latino White population growth rate of 1.2%.

<b>Population by Race and Ethnicity in Lexington, Kentucky</b>					
<b>Race by Ethnicity</b>	<b>2000</b>		<b>2010</b>		<b>2000-2010 % Change</b>
	<b>Count</b>	<b>Share</b>	<b>Count</b>	<b>Share</b>	
Non-Latino	251,951	96.7%	275,329	93.1%	9.3%
White	206,174	79.1%	216,072	73.0%	4.8%
African American	34,876	13.4%	42,336	14.3%	21.4%
American Indian/Alaskan Native	457	0.2%	599	0.2%	31.1%
Asian	6,360	2.4%	9,506	3.2%	49.5%
Native Hawaiian/Pacific Islander	80	0.0%	107	0.0%	33.8%
Other race	470	0.2%	546	0.2%	16.2%
Two or more races	3,534	1.4%	6,163	2.1%	74.4%
Latino	8,561	3.3%	20,474	6.9%	139.2%
<b>Total Population</b>	<b>260,512</b>	<b>100.0%</b>	<b>295,803</b>	<b>100.0%</b>	<b>13.5%</b>

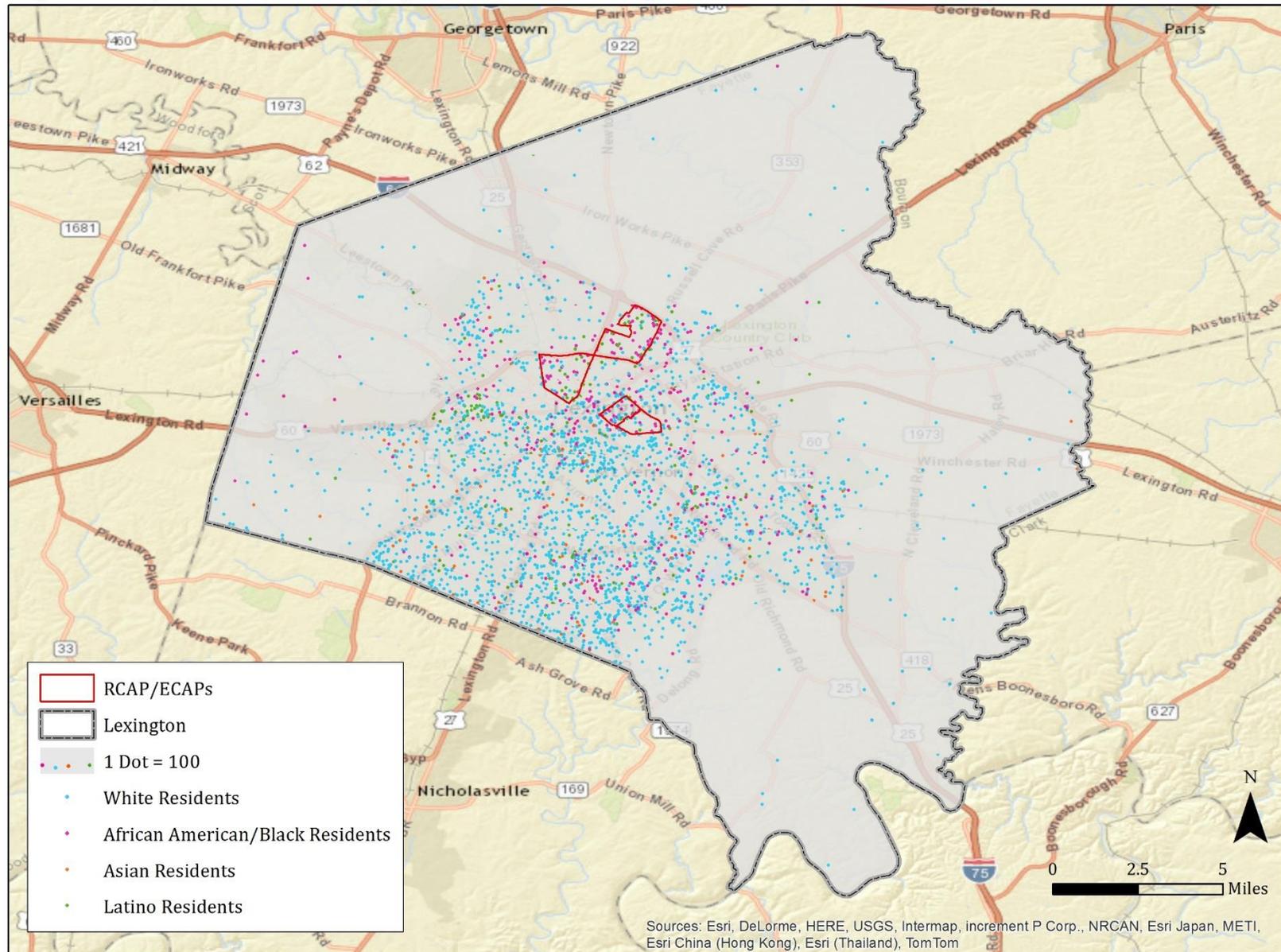
Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

The maps that follow illustrate the racial and ethnic concentrations in Lexington by 2010 census tract. The first of these maps, “Population by Census Tract in Lexington, 2010” uses dots, each dot representing 100 people, to illustrate the population distribution by tract. This map shows the African American population relatively evenly distributed throughout the more urbanized areas of the city, save for the southern portion of the area encircled by New Circle Road. The Asian population was primarily concentrated south of the US-60/Versailles Road/Winchester Road corridor. Concentrations of the Latino population appeared primarily along the Versailles Road and Cardinal Valley corridor, in the neighborhoods along Russell Cave Road, and on Georgetown Road.

The next four maps depict concentrations of minority populations in general, and concentrations of Latinos, African Americans, and Asians. The general areas of minority concentration in Lexington are largely consistent with those areas of Latino concentration with the exception of Radcliffe/Marlboro, Masterson Station, Gleneagles, and the Buckhorn

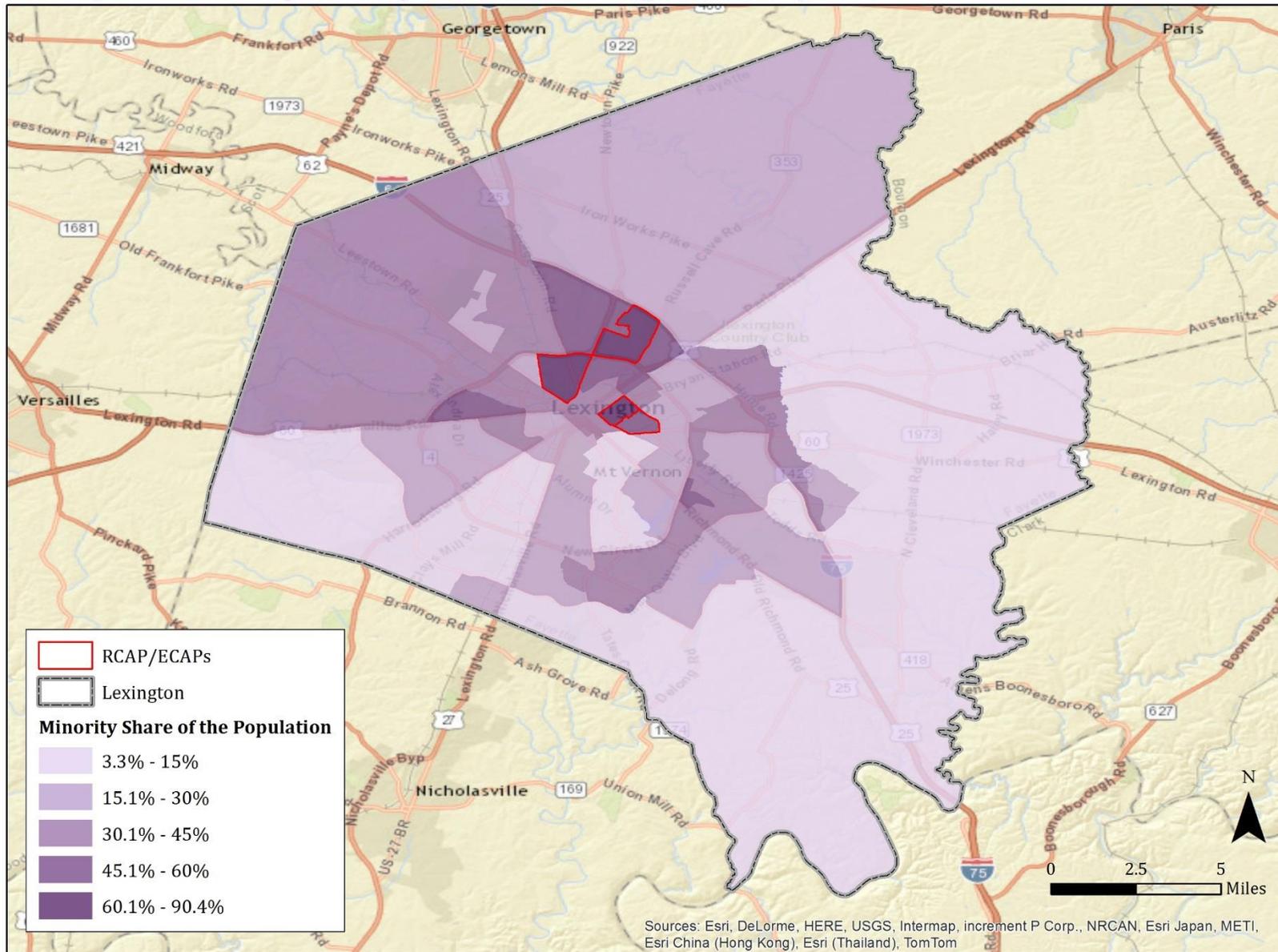
Drive area south of Man O War Boulevard, all of which owe their high minority concentrations more to African American residents than Latinos.

## Population by Race and Ethnicity by Census Tract, Lexington, Kentucky, 2010



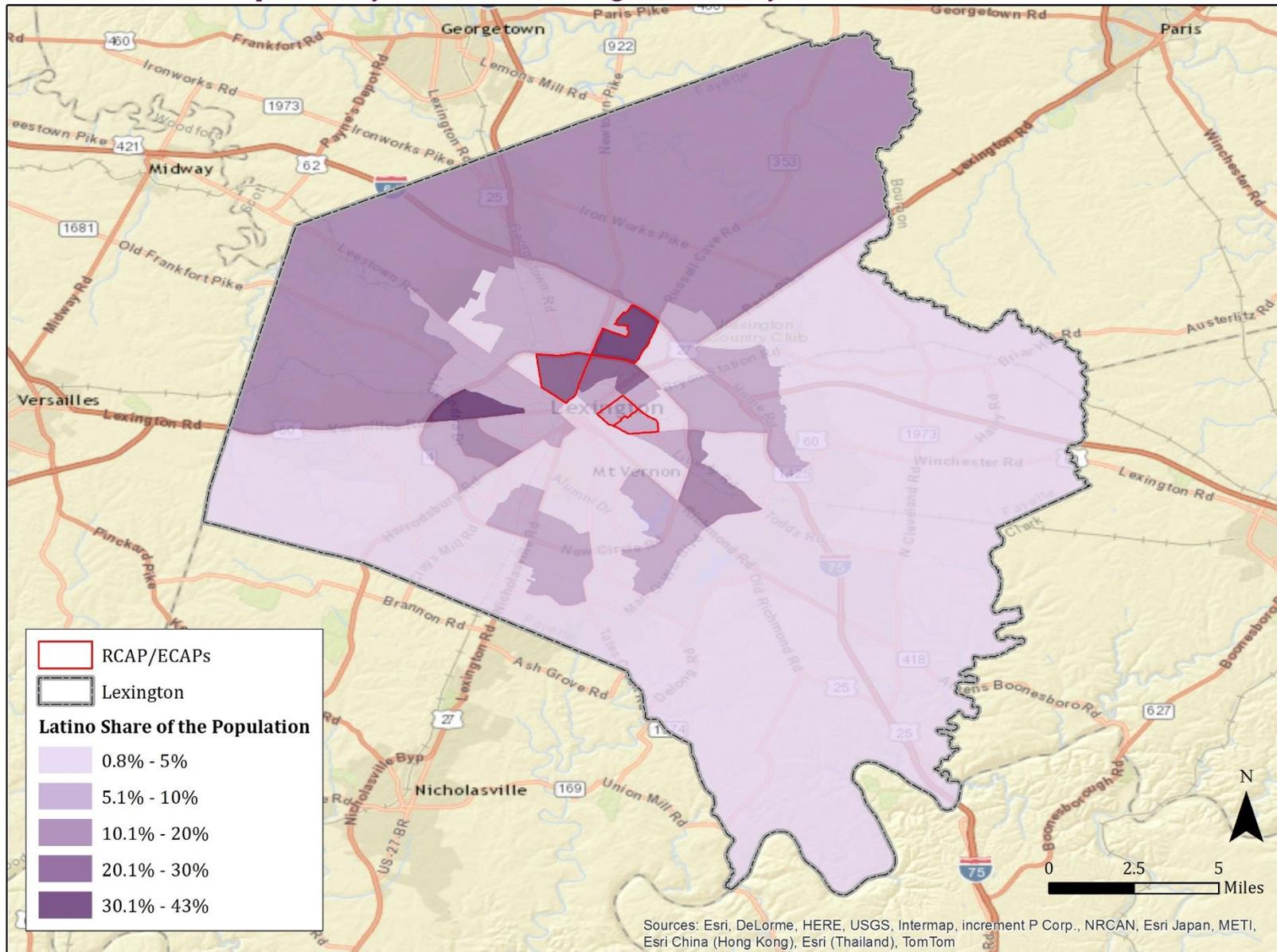
Source: 2010 U.S. Census SF1, Table P5

### Minority Share of the Population by Census Tract, Lexington, Kentucky, 2010



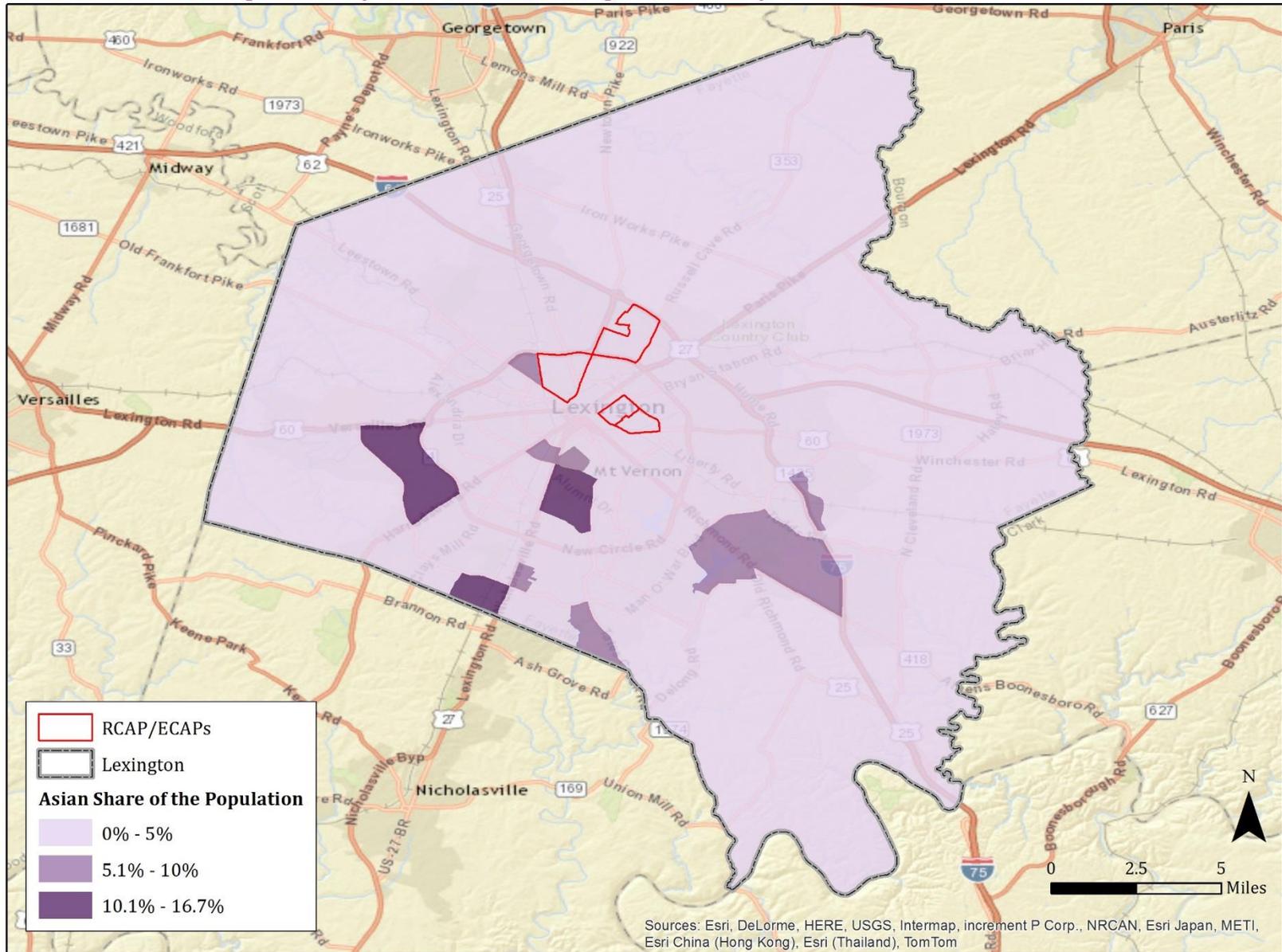
Source: 2010 U.S. Census SF1, Table P5

## Latino Share of the Population by Census Tract, Lexington, Kentucky, 2010



Source: 2010 U.S. Census SF1, Table P5

### Asian Share of the Population by Census Tract, Lexington, Kentucky, 2010



Source: 2010 U.S. Census SF1, Table P5

## National Origin

Fair housing laws protect individuals based on their national origin. Discrimination based on national origin can include an individual's ability to speak, read, or understand English. For instance, it is discriminatory when housing or housing assistance is not provided because of language barriers, whether it is because application materials are not translated or translated appropriately or the landlord refuses to assist someone because of language differences. Ineffective or no outreach to persons with limited English proficiency could also lead to housing discrimination based on national origin.

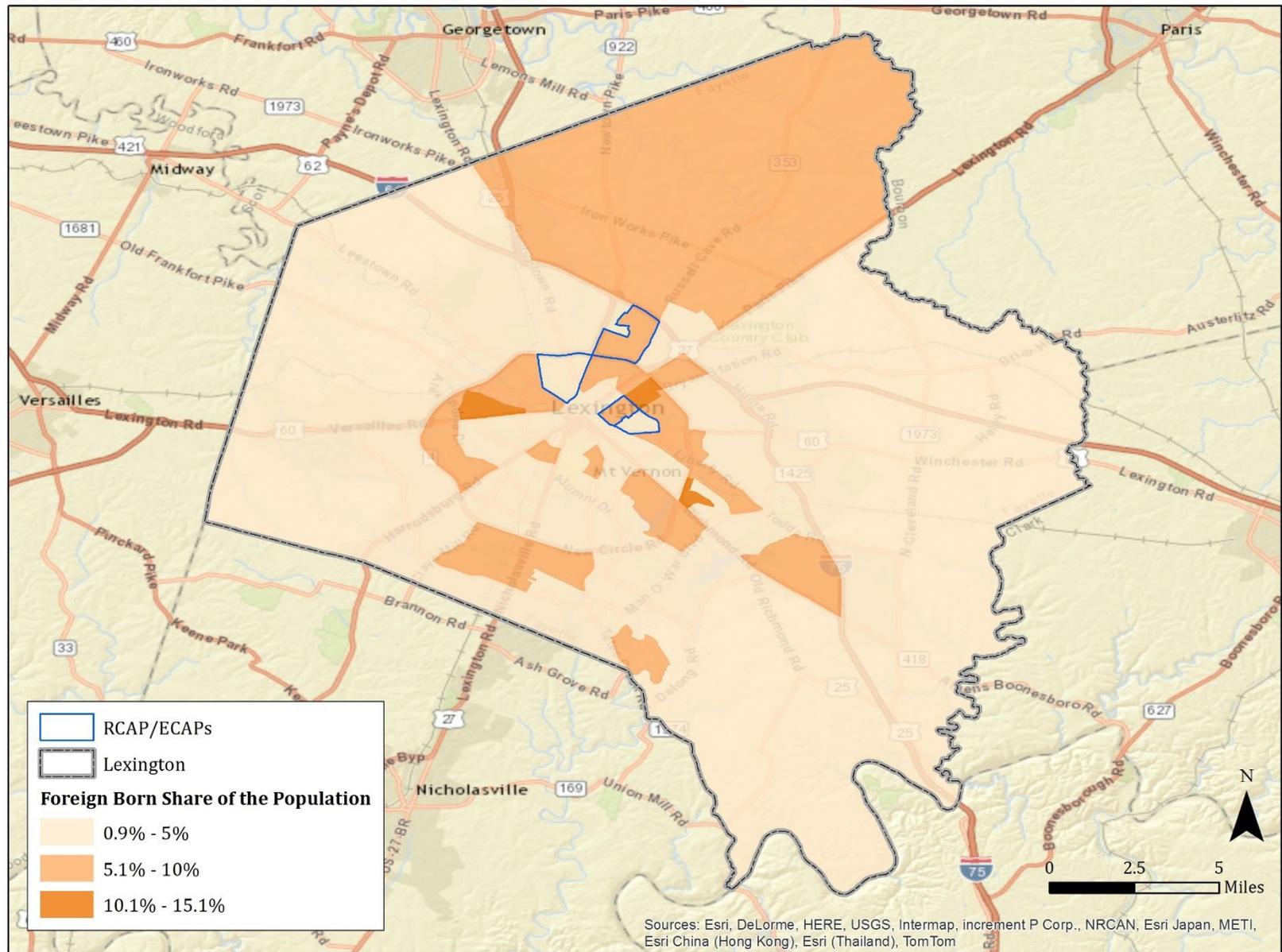
Based on the American Community Survey's 2010-2014 five-year population estimates, nearly a tenth (9.1%) of Lexington's population was foreign-born, with 38.6% of these foreign-born residents originating from the Caribbean and Central America. While this group made up the largest share of Lexington's foreign-born population, at 109.3% growth between 2000 and 2014, it was not the fastest-growing segment. The growth of foreign-born populations originating from Africa (234.8%) over the 2000 to 2014 time period occurred at a faster rate.

National Origin of Foreign Born Population in Lexington, Kentucky					
National Origin	2000		2010-2014		Percent Change
	Count	Share	Count	Share	
Europe	2,726	17.6%	2,850	10.3%	4.5%
Asia	5,624	36.4%	9,853	35.7%	75.2%
Africa	719	4.7%	2,407	8.7%	234.8%
Oceania	86	0.6%	74	0.3%	-14.0%
Americas	6,293	40.7%	12,394	44.9%	96.9%
Caribbean & Central America	5,092	33.0%	10,656	38.6%	109.3%
South America	589	3.8%	1,057	3.8%	79.5%
Northern America	612	4.0%	681	2.5%	11.3%
<b>Foreign Born Population</b>	<b>15,448</b>	<b>100.0%</b>	<b>27,578</b>	<b>100.0%</b>	<b>78.5%</b>
<b>Foreign Born as Share of Total Population</b>	<b>5.9%</b>		<b>9.1%</b>		

Sources: U.S. Census 2000 SF3 Table PCT019 and 2010-2014 5-Year American Community Survey Table B05006

Lexington has a higher percentage of foreign-born residents than the metropolitan area (6.9%) and the state of Kentucky (3.4%). However, Lexington has a significantly smaller percentage (9.1%) of foreign-born residents than the U.S. (13.1%).

## Foreign Born Share of the Population by Census Tract, Lexington, Kentucky, 2010-2014



Source: 2010-2014 5-Year American Community Survey Table B05002

## Familial Status and Householder Sex

Familial status is defined in the Fair Housing Act as having one or more individuals under 18 years of age who reside with a parent or another person with care and legal custody of the child. Familial status also includes a pregnant woman or person who is in the process of adopting or otherwise securing legal custody of any individual under 18 years of age. Examples of housing discrimination based on protected class would be a landlord refusing to rent to a family with children or a landlord that enforces extra restrictions only on families with children.

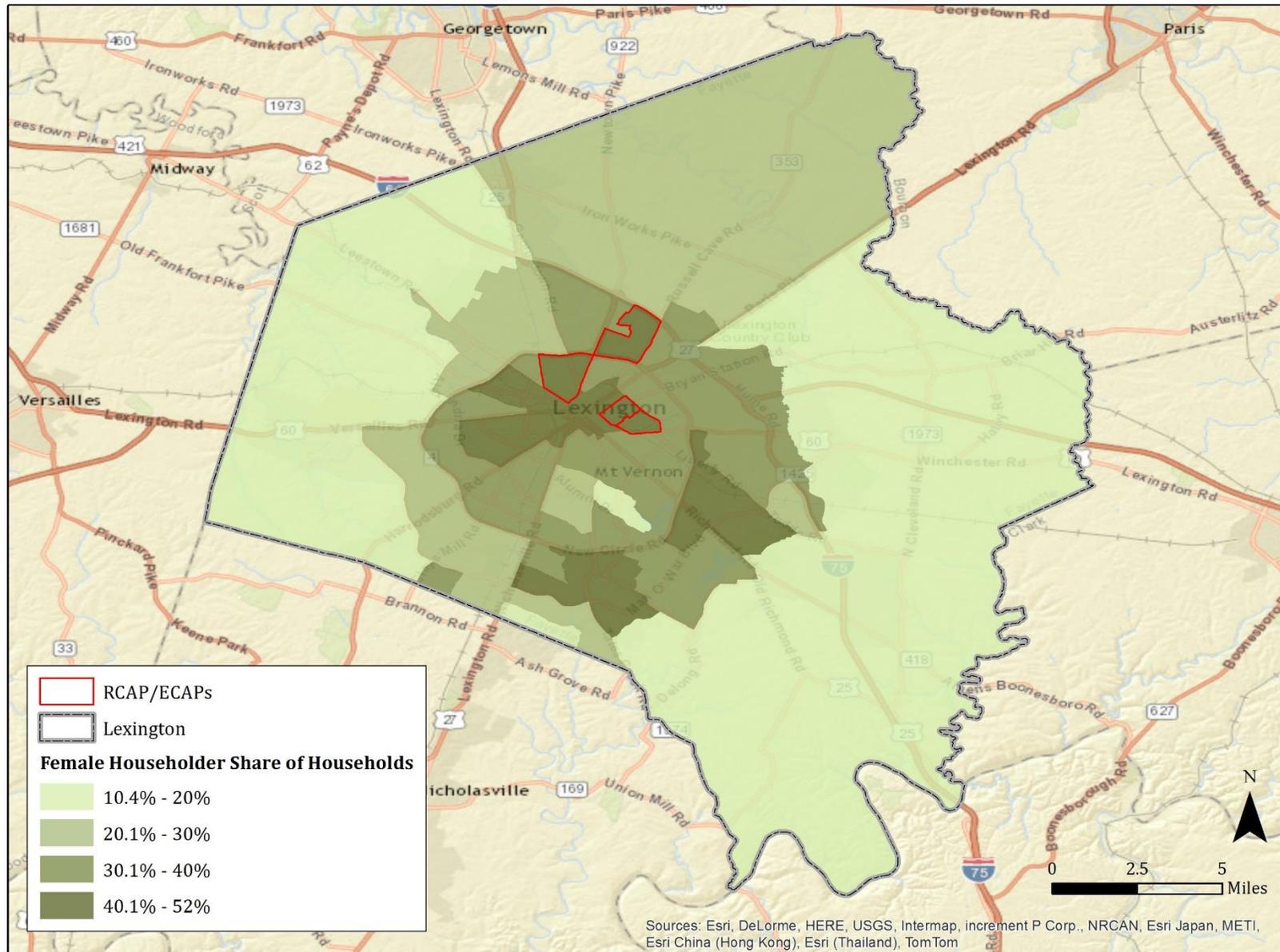
As of the 2010 Census, there were 123,043 households in Lexington, of which 56.6% were families. Married couple households were the most common family household type in 2010, followed by households headed by an unmarried female. The fastest-growing household types were all headed by unmarried males. The number of such households with children increased by 57.0% between 2000 and 2010; those without children increased by 46.3% over the same time period. Married couple households, both with and without children, were the only household types to grow more slowly than Lexington's overall rate of growth.

Familial Status and Sex of Householder in Lexington, Kentucky					
Household Type	2000		2010		2000-2010 % Change
	Count	Share	Count	Share	
Family Households	62,955	58.1%	69,661	56.6%	10.7%
Married couple householders	47,074	43.5%	49,368	40.1%	4.9%
With related children under 18	21,276	19.6%	21,546	17.5%	1.3%
No related children under 18	25,798	23.8%	27,822	22.6%	7.8%
Male householder, no wife	3,404	3.1%	5,169	4.2%	51.9%
With related children under 18	1,770	1.6%	2,779	2.3%	57.0%
No related children under 18	1,634	1.5%	2,390	1.9%	46.3%
Female householder, no husband	12,477	11.5%	15,124	12.3%	21.2%
With related children under 18	8,489	7.8%	10,079	8.2%	18.7%
No related children under 18	3,988	3.7%	5,045	4.1%	26.5%
Nonfamily Households	45,333	41.9%	53,382	43.4%	17.8%
Male householders	21,169	19.5%	25,123	20.4%	18.7%
Female householders	24,164	22.3%	28,259	23.0%	16.9%
<b>Total Households</b>	<b>108,288</b>	<b>100.0%</b>	<b>123,043</b>	<b>100.0%</b>	<b>13.6%</b>
Total female householders	36,641	33.8%	43,383	35.3%	18.4%
Total households with children	31,535	29.1%	34,404	28.0%	9.1%

Sources: U.S. Census 2000 SF1 Tables P027 and P035 and 2010 SF1 Tables P29 and P39

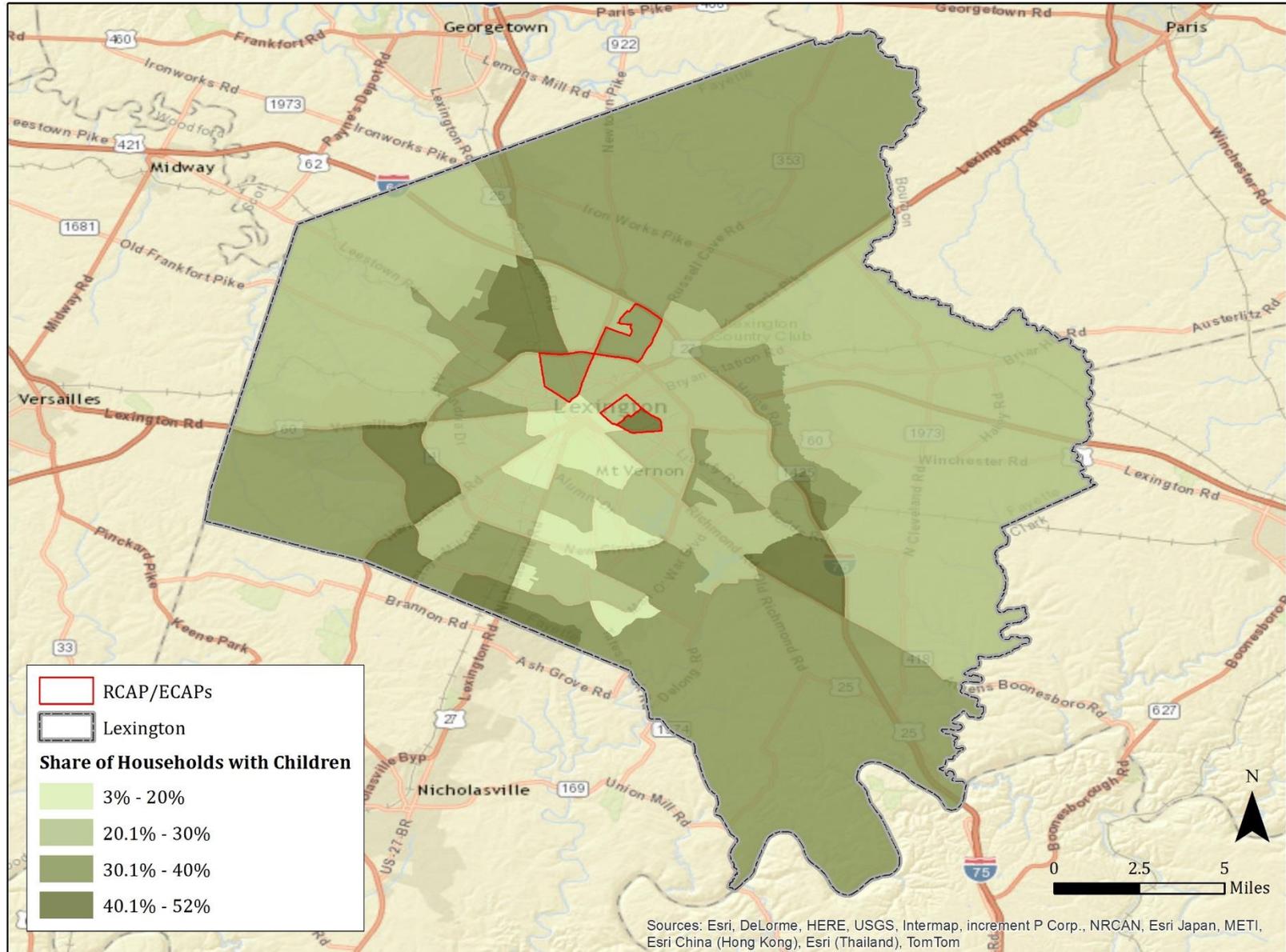
According to the 2000 Census, the share of households with children in Lexington was 29.1%. Since then, the share of households with children has decreased to 28.0%. This share of family households is similar to that of the greater metropolitan area, the state of Kentucky, and the U.S., all of which had a share of households with children at under one-third.

## Female Householder Share of Households by Census Tract, Lexington, Kentucky, 2010



Source: 2010 U.S. Census SF1, Tables P29 and P39

### Share of Households with Children by Census Tract, Lexington, Kentucky, 2010



Source: 2010 U.S. Census SF1, Table P39

## Disability

Under the Federal Fair Housing Act, a disability is defined as:

- A physical or mental impairment which substantially limits one or more of such person's major life activities
- A record of having such an impairment or
- Being regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance

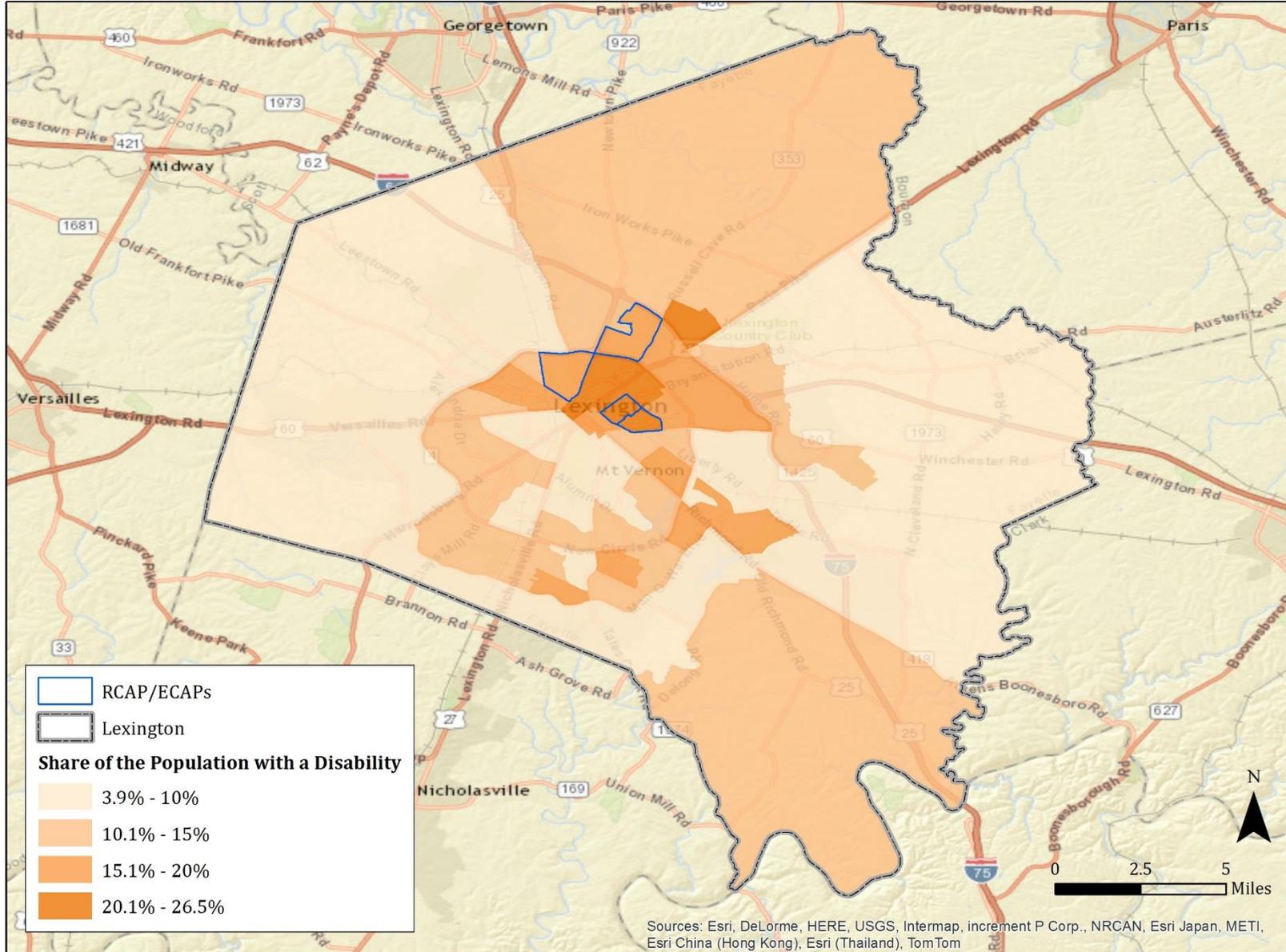
Fair housing choice for persons with disabilities can be compromised based on the nature of their disability. Persons with physical disabilities may face discrimination in the housing market because of the use of wheelchairs, need for home modifications to improve accessibility, or other forms of assistance like a service animal. Persons with mental disabilities may face discrimination based on their landlord's refusal to rent to tenants with a history of mental illness or public opposition to a new development for persons with cognitive disabilities based on the stigma of mental disability.

According to the most recent five-year American Community Survey data (2010-2014), Lexington had a disability rate of 11.3%, which represented 33,899 persons living with a disability. Over a third (37.5%) of Lexington's population age 65 or older was disabled while 8.2% of those under 65 had a disability. Over half of the people with disabilities in Lexington had a disability that inhibited ambulatory functioning and movement, and large percentages had disabilities that resulted in cognitive difficulties (39.8%) independent living difficulties (32.9%), and hearing difficulties (25.7%). These difficulties may not only inhibit daily functioning but also require housing accommodation and supportive services. Lexington's ability to meet the housing needs of its disabled residents is impacted by an array of factors – such as zoning regulations for group homes, the ease with which modifications may be made to existing homes, and the availability of fair housing services – which are each examined in other sections of this report. The disability map depicts the concentration of residents with disabilities by census tract.

<b>Disability Status in Lexington, Kentucky</b>		
<b>Disability Status</b>	<b>2010-2014</b>	
	<b>Count</b>	<b>Share of Total</b>
<b>By Age</b>		
Total population	299,164	100.0%
With a disability	33,899	11.3%
Population under age 65	266,918	100.0%
With a disability	21,779	8.2%
Population age 65 and over	32,246	100.0%
With a disability	12,100	37.5%
<b>By Type of Disability</b>		
Total disabled population	33,899	100.0%
Hearing difficulty	8,705	25.7%
Vision difficulty	5,717	16.9%
Cognitive difficulty	13,508	39.8%
Ambulatory difficulty	17,743	52.3%
Self-care difficulty	6,424	19.0%
Independent living difficulty	11,152	32.9%

Source: 2010-2014 American Community Survey Tables B18101 to B18107

## Share of the Population with a Disability by Census Tract, Lexington, Kentucky, 2010-2014



Source: 2010-2014 5-Year American Community Survey Table B18101

## Religious Affiliation

Discrimination in housing based on religion is prohibited by the Fair Housing Act. Prohibition under the Act also includes instances of overt discrimination against members of a particular religion as well as less direct actions, such as zoning ordinances designed to limit the use of private homes as a place of worship. Although not related to housing discrimination, religious tensions and discrimination can be seen in other ways.

Religion is not one of the questions surveyed by the U.S. Census Bureau making dependable, comprehensive data on religious affiliation difficult to find. The data used in this report is made available by the Association of Statisticians of American Religious Bodies, which details religious affiliation down to a county level. While this data does not permit an analysis of concentrations of people of various religious affiliations within Lexington, it does offer a useful survey of the major religious groups and their relative shares of adherents.

The share of Lexington’s population claiming a religious affiliation of any type (52.2% of the population) was more than that of the metropolitan area (49.4%), the state of Kentucky (51.6%) and the United States (48.8%) as a whole. Among those Lexington residents claiming a religious affiliation, most were Evangelical Protestant, followed by Mainline Protestants and Catholics.

Religious Affiliation in Lexington, Kentucky		
Religious Affiliation	2010	
	Count	Share
Catholic	25,882	8.7%
Evangelical Protestant	83,924	28.4%
Mainline Protestant	31,144	10.5%
Black Protestant	7,281	2.5%
Orthodox	780	0.3%
Other	5,451	1.8%
Judaism	1,440	0.5%
Muslim	533	0.2%
Latter-day Saints	2,312	0.8%
Other	1,166	0.4%
Unclaimed	141,341	47.8%
<b>Total Population</b>	<b>295,803</b>	<b>100.0%</b>

Source: Association of Statisticians of American Religious Bodies, *2010 U.S. Religion Census: Religious Congregations & Membership Study*

## Sexual Orientation and Gender Identity

Sexual orientation and gender identity are not specifically named as protected classes under the federal Fair Housing Act, however, a lesbian, gay, bisexual, or transgender person may experience discrimination due to his or her sexual orientation or gender identity that is considered to be unlawful under one of the existing classes protected by the statute. Additionally, discrimination on the basis of sexual orientation or gender identity may violate federal regulations if perpetrated by an entity funded or insured by HUD or the Federal Housing Administration.

Currently no comprehensive, uniform data on sexual orientation is collected, however, analysis of Census data can approximate the distribution and concentration of same sex couples. The Williams Institute at the UCLA School of Law adjusts Census 2010 tabulations of state-level data where a head of household has indicated a “husband/wife” or “unmarried partner” relationship with another same-sex adult in the household. While this methodology is not perfect (e.g. same-sex couples where neither is the head of household are not counted and different-sex couples who may have miscoded their gender are included), it is a reasonably reliable source in the absence of a more direct sexual orientation question in the census surveys. It must also be noted that data on same-sex couples, while related to issues of sexual orientation, does not approximate or substitute for data on the lesbian, gay, bisexual, and transgender population as a whole.

The Williams Institute’s 2010 data showed 7,195 same-sex couples in Kentucky or 4.2 per 1,000 households. While adjusted tract-level data is mapped for the state as a whole, the raw data is available only down to the county level. By that count, Fayette County ranked 1st of Kentucky’s counties for its number of same-sex couples, with an adjusted total of 899 or 7.3 per 1,000 households. The table on the following page compares Fayette County with neighboring counties.

The County comparison is noteworthy for the large degree of variation, even between neighboring counties, in the presence of same-sex couples. As a percentage of total households, Woodford County has roughly half the proportion of same-sex couples as Lexington-Fayette County. Also significant is the difference in male versus female same-sex couples between these two counties. A little more than half of the same-sex couples in Lexington-Fayette County were male whereas in Woodford County, more than three quarters of same-sex couples were female.

Same-Sex Couples: 2010 County Comparison						
Jurisdiction	State Rank	Number of Same-Sex Couples	Same-Sex Couples per 1,000 Households	Percent Same-Sex Male Couples	Percent Same-Sex Female Couples	Percent with Children
Fayette County	1	899	7.3	65%	35%	9%
Bourbon County	Not ranked	18	3.8	0%	100%	21%
Clark County	Not ranked	32	2.3	0%	100%	8%
Jessamine County	5	89	5.1	18%	82%	27%
Scott County	10	83	4.8	8%	92%	14%
Woodford County	Not ranked	36	3.6	36%	64%	1%
State of Kentucky	--	7,195	4.2	45%	55%	18%

Note: Counties with less than 50 same-sex couple households are not ranked.

Source: The Williams Institute: UCLA School of Law, "Kentucky Census Snapshot: 2010"

## Segregation Analysis

---

Segregation, or the degree to which two or more racial or ethnic groups live geographically separate from one another, can directly affect the quality of life in cities and neighborhoods. A study by the Federal Reserve Bank of Cleveland compared the economic growth of more than 100 areas in the U.S. between 1994 and 2004 and concluded that racial diversity and inclusion was “positively associated with a host of economic growth measures, including employment, output, productivity, and per capita income.”<sup>6</sup> In general, diverse communities have been found to benefit from greater innovation arising out of the varied perspectives within the community. Additionally, multilingual and multicultural regions are best positioned for success in the global marketplace.

Despite the economic and other advantages of diversity, patterns of racial and ethnic segregation remain prevalent in many regions and cities. Segregation is typically perceived of negatively, but it is important to note that it is not always due to overt housing discrimination. At least three reasons why patterns of segregation could exist include:

- personal preferences cause individuals to want to live in neighborhoods with others of a particular race and ethnicity;
- income differences across race and ethnic groups limit the selection of neighborhoods where persons of a particular race and ethnicity can live; and
- illegal discrimination in the housing market limits the selection of neighborhoods where persons of a particular race and ethnicity live.

Regardless of the causes of segregation, its effects can be detrimental. “Numerous studies have focused on the possible effects of residential neighborhoods on social and economic outcomes. Persistent economic and racial residential segregation is implicated in enduring racial and ethnic inequality.”<sup>7</sup> For example, research demonstrates that African American homeowners earn less equity in their non-rental homes because their incomes are lower and they reside in areas that are more segregated. “Individuals take account of the race-ethnic composition of neighborhoods when deciding if and where to move. These patterns may result from a number of underlying social processes. While race-ethnic prejudice may govern residential choices to some degree, the ethnic composition of a neighborhood is also correlated with other factors that determine neighborhood attractiveness. For example, neighborhoods vary in levels of crime, quality housing, and poverty.”<sup>8</sup>

---

<sup>6</sup> PolicyLink. 2011. “America’s Tomorrow: Equity is the Superior Growth Model.” [http://www.policylink.org/atf/cf/%7B97c6d565-bb43-406d-a6d5eca3bbf35af0%7D/SUMMIT\\_FRAMING\\_WEB\\_FINAL\\_20120127.PDF](http://www.policylink.org/atf/cf/%7B97c6d565-bb43-406d-a6d5eca3bbf35af0%7D/SUMMIT_FRAMING_WEB_FINAL_20120127.PDF)

<sup>7</sup> Bruch, E. 2005. “Residential Mobility, Income, Inequality, and Race/Ethnic Segregation in Los Angeles.” Princeton, NJ: Princeton, University, pp. 1.

<sup>8</sup> Bruch, 2005.

The task in this Segregation Analysis is to determine the degree to which residents of Lexington are segregated by race and ethnicity, based on population counts from the 2000 and 2010 U.S. Censuses.

Residential segregation is the degree to which two or more racial or ethnic groups live geographically separate from one another. Early in the field of residential segregation analysis Duncan and Duncan<sup>9</sup> defined a “dissimilarity index” which became the standard segregation measure for evenness of the population distribution by race. By 1988 researchers had begun pointing out the shortcomings of dissimilarity indices when used apart from other measures of potential segregation. In a seminal paper, Massey and Denton<sup>10</sup> drew careful distinctions between the related spatial concepts of sub-population distribution with respect to evenness (minorities may be under- or over-represented in some areas) and exposure (minorities may rarely share areas with majorities thus limiting their social interaction).

This analysis will use the methodology set forth by Duncan and Duncan for the measurement of evenness of the population distribution by race (dissimilarity index) as well as measures of exposure of one race to another (exposure and isolation indices), based on the work of Massey and Denton. Workers in the field generally agree that these measures adequately capture the degree of segregation. These measures have the advantage of frequent use in segregation analyses and are based on commonsense notions of the geographic separation of population groups. An additional analysis for the entropy index will provide a measure of multi-group diversity not accounted for by the other indices which necessarily are limited to two racial or ethnic groups at a time.

## Dissimilarity Index

The Dissimilarity Index (DI) indicates the degree to which a minority group is segregated from a majority group residing in the same area because the two groups are not evenly distributed geographically. The DI methodology requires a pair-wise calculation between the racial and ethnic groups in the region. Evenness, and the DI, are maximized and segregation minimized when all small areas (census tracts in this analysis) have the same proportion of minority and majority members as the larger area in which they live (here, Lexington). Evenness is not measured in an absolute sense, but is scaled relative to some other group. The DI ranges from 0.0 (complete integration) to 1.00 (complete segregation). HUD identifies

---

<sup>9</sup> Duncan, Otis D., and Beverly Duncan. 1955. “A Methodological Analysis of Segregation Indices.” *American Sociological Review*, Vol. 20.

<sup>10</sup> Massey, Douglas, S. and Denton, N. A., 1988. “The Dimensions of Residential Segregation.” *Social Forces*, Vol. 67, No. 2, University of North Carolina Press.

a DI value between 0.41 and 0.54 as a moderate level of segregation and 0.55 or above as a high level of segregation.

The countywide proportion of the minority population can be small and still not be segregated if evenly spread among tracts. Segregation is maximized when no minority and majority members occupy a common area. When calculated from population data broken down by race or ethnicity, the DI represents the proportion of minority members that would have to change their area of residence to achieve a distribution matching that of the majority (or vice versa).

Although the literature provides several similar equations for the calculation of the DI, the one below is the most commonly used. This equation differences the magnitude of the weighted deviation of each census tract's minority share with the tract's majority share which is then summed over all the tracts in the region:<sup>11</sup>

$$D = \left(\frac{1}{2}\right) \sum_{i=1}^n \left| \frac{Min_i}{Min_T} - \frac{Maj_i}{Maj_T} \right|$$

where:

D = Dissimilarity Index;

Min<sub>i</sub> = Minority group population of census tract i;

Min<sub>T</sub> = Minority group regional population;

Maj<sub>i</sub> = Majority group population of census tract i;

Maj<sub>T</sub> = Majority group regional population; and

n = Total number of census tracts in the region.

The table below presents the results of these calculations between non-Latino Whites, non-Latino African Americans, non-Latino Asians, and Latinos in Lexington.<sup>12</sup> The graph that follows presents the same data in a visual format so that trends can be more readily identified.

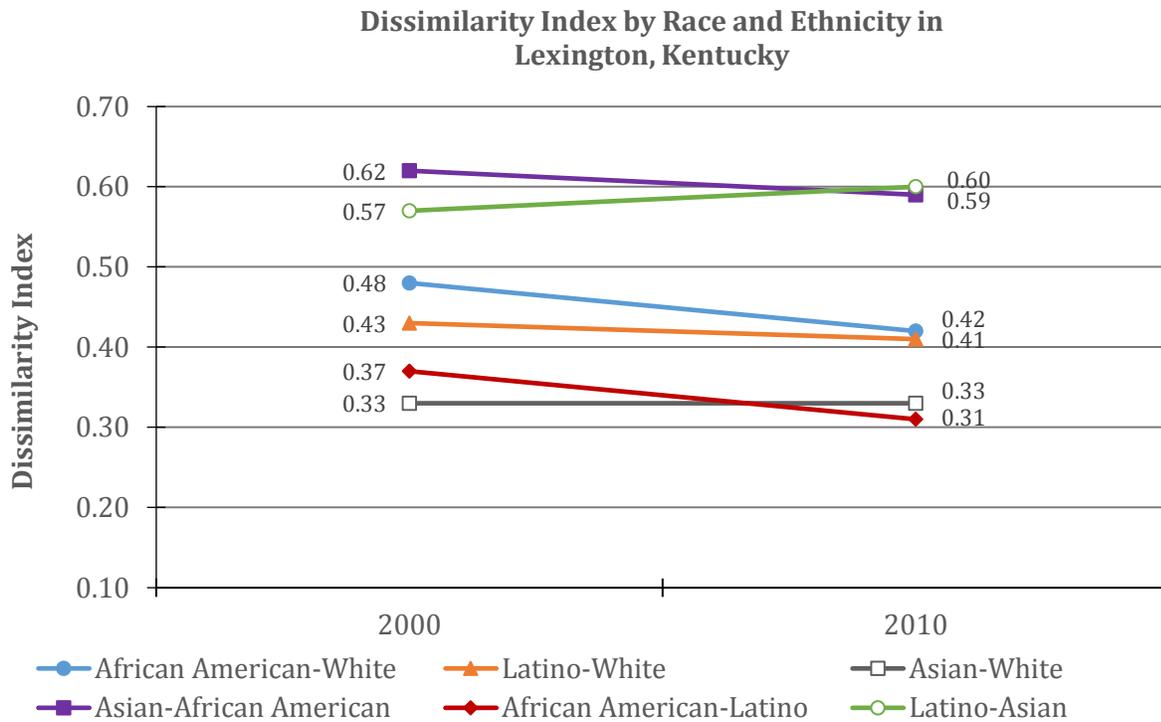
---

<sup>11</sup> Calculation after *Desegregation Court Cases and School Demographics Data*, Brown University, Providence, Rhode Island. Source: <http://www.s4.brown.edu/schoolsegregation/desegregationdata.htm>. Accessed February 27, 2013.

<sup>12</sup> The DI methodology requires that each group be distinct from each other. Each racial or ethnic group cannot overlap. This study focuses primarily on four groups: Latinos, non-Latino Whites, non-Latino African Americans/African Americans, and non-Latino Asians (to be called "Whites," "African Americans/African Americans," and "Asians" for simplicity).

Dissimilarity Indices in Lexington, Kentucky			
Group Exposure	2000	2010	Change
African American-White	0.48	0.42	-0.06
Asian-White	0.33	0.33	0.00
Latino-White	0.43	0.41	-0.02
Asian-African American	0.62	0.59	-0.03
African American-Latino	0.37	0.31	-0.06
Latino-Asian	0.57	0.60	0.03

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5



Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

In 2010, the DI calculations show a moderate level of segregation between two pairs of population segments, a high level between another two pairs, and a low level between the final two pairs. The moderately segregated groups include African Americans and Whites (DI = 0.42), and Latinos and Whites (0.41). Asians are highly segregated from both African Americans and Latinos (0.59 and 0.60, respectively), while Asians and Whites and African Americans and Latinos tend to have more similar residential patterns, with DIs of 0.33 and 0.31, respectively.

For Lexington’s two largest population segments (African Americans and Whites), the 2010 dissimilarity index of 0.42 can be interpreted as meaning that 42% of African American residents *or* 42% of White residents would have to move census tracts in order for the two groups to be identically distributed geographically. This figure is down from 0.48 in 2000, indicating that African American and White residents are more likely to live in similar census tracts than they were ten years earlier.

Since 2000, the dissimilarity index fell for four other pairings: African Americans and Latinos (-0.06), Asians and African Americans (-0.03), and Latinos and Whites (-0.02). These changes suggest that as the minority population in Lexington increased over the decade, settlement patterns led to greater integration with each of the other racial/ethnic groups examined in this analysis. One pairing, however, saw an increase in segregation from 2000 to 2010 – the dissimilarity index for Latinos and Asians grew by 0.03, indicating that these groups were somewhat less likely to live in similar areas in 2010 than they were a decade earlier.

## Exposure Index

Two basic, and related, measures of racial and ethnic interaction are exposure (this section) and isolation (next section). These two indices, respectively, reflect the possibility that a minority person shares a census tract with a majority person (Exposure Index, EI, this section) or with another minority person (Isolation Index, II, next section).

“Exposure measures the degree of potential contact between minority and majority group members.”<sup>13</sup> Exposure is a measure of the extent two groups share common residential areas and so it reflects the degree to which the average minority group member experiences segregation. The EI can be interpreted as the probability that a minority resident will come in contact with a majority resident, and ranges in value from 0.0 to 1.0, where higher values represent lower segregation.

As with the Dissimilarity Index, each calculation of EI involves two mutually exclusive racial or ethnic groups. The EI measures the exposure of minority group members to members of the majority group as the minority-weighted average (the first term in the equation below) of the majority proportion (the second term) of the population in each census tract, which can be written as:

$$Prob = \sum_{i=1}^n \left( \frac{Min_i}{Min_T} \right) \left( \frac{Maj_i}{Tot_i} \right)$$

where:

---

<sup>13</sup> Massey and Denton, 1988.

Prob = Probability that minority group members interact with majority group members

Min<sub>i</sub> = Minority group population of census tract i;

Min<sub>T</sub> = Minority group regional population;

Maj<sub>i</sub> = Majority group population of census tract i;

Tot<sub>i</sub> = Total population of census tract i; and

n = Total number of census tracts in the region.

The EI is not “symmetrical” so the probability of a typical African American person meeting a White person in a tract is not the same as the probability of a typical White person meeting an African American person in that tract. An illustrative example of this asymmetry is to imagine a census tract with many White residents and a single African American resident. The African American would see all White people, but the White residents would see only one African American person. Each would see a much different world with respect to group identification.

The maximum value of the EI depends both on the distribution of racial and ethnic groups and on the proportion of minorities in the area studied. Generally, the value of this index will be highest when the two groups have equal numbers and are spread evenly among tracts (low segregation). If a minority is a small proportion of a region’s population, that group tends to experience high levels of exposure to the majority regardless of the level of evenness.<sup>14</sup>

The “Exposure Index” table shows that in 2010 the typical probability of an African American person interacting with a White person within their census tract was 59%, while the probability of a White person interacting with an African American person was considerably lower at 12%. These rates can also be interpreted to mean that on average 59 of every 100 people an African American person met in their census tract were White, but only 12 of every 100 people a White person met were African American.

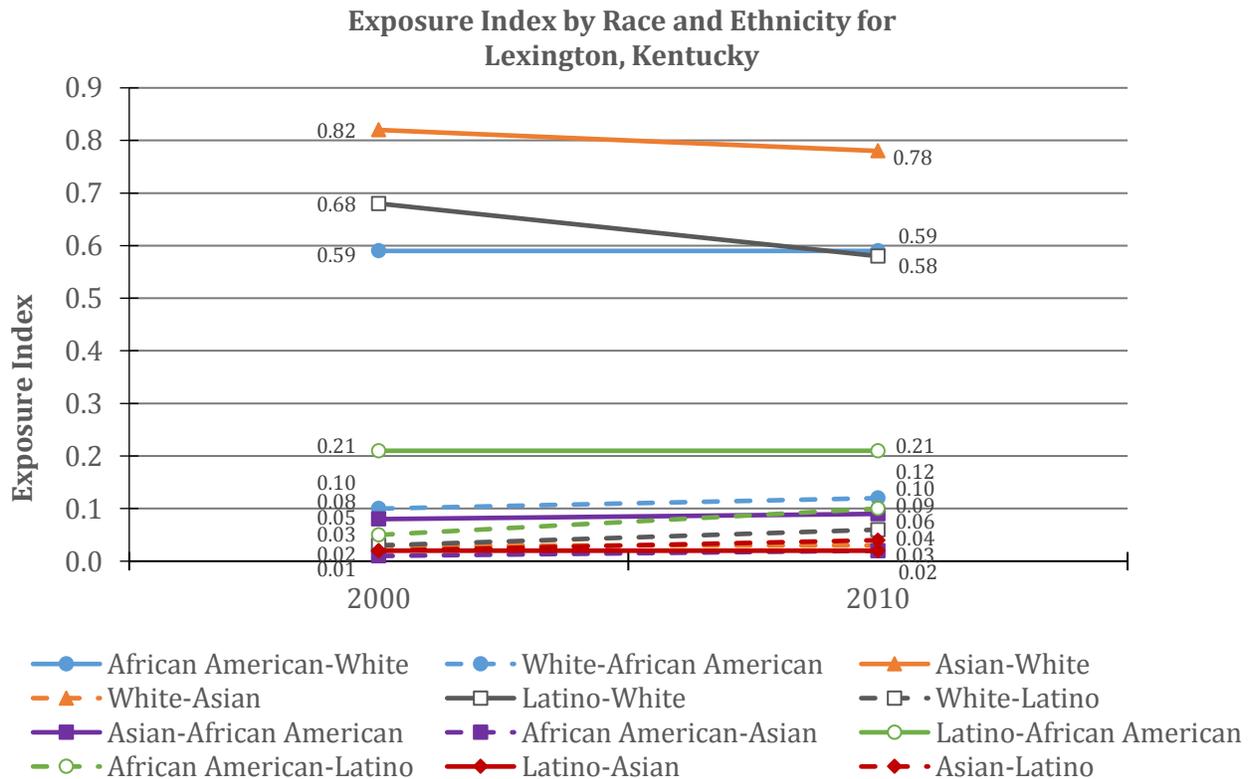
In general, Lexington’s smaller population segments (Asians and Latinos) had relatively high exposure to the largest population segment (Whites). African Americans and Latinos had moderate levels of exposure to one another (EIs of 0.10 and 0.21), as did Asians to African Americans (0.09). The remaining pairings, each involving exposure to Asians or Latinos, had EIs of 0.06 or below.

---

<sup>14</sup> John Iceland, Weinberg D.H., and Steinmetz, E. 2002. “Racial and Ethnic Residential Segregation in the United States: 1980-2000.” U.S. Census Bureau. Paper presented at the annual meetings of the Population Association of America, Atlanta, Georgia.

Exposure Indices in Lexington, Kentucky			
Interacting Groups	2000	2010	Change
African American-White	0.59	0.59	0.00
White-African American	0.10	0.12	0.02
Asian-White	0.82	0.78	-0.04
White-Asian	0.03	0.03	0.00
Latino-White	0.68	0.58	-0.10
White-Latino	0.03	0.06	0.03
Asian-African American	0.08	0.09	0.01
African American-Asian	0.01	0.02	0.01
Latino-African American	0.21	0.21	0.00
African American-Latino	0.05	0.10	0.05
Latino-Asian	0.02	0.02	0.00
Asian-Latino	0.02	0.04	0.02

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5



Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

The “Exposure Index by Race and Ethnicity” graph shows two downward sloping lines indicating declines in exposure of Latinos to Whites (by 0.10) and Asians to Whites (by 0.04); exposure of African Americans to Whites remained constant over the decade. The declines likely result from the decline in the White population share from 2000 to 2010; with other racial/ethnic groups making up larger shares of the population, interaction amongst them grew and interaction with Whites declined. Exposure to Latinos doubled in each case (most notably growing from 0.05 to 0.10 for African Americans), while other pairings showed modest increases in exposure or remained unchanged since 2000.

## Isolation Index

The Isolation Index (II) measures “the extent to which minority members are exposed only to one another” (Massey and Denton, p. 288). Not a measure of segregation in a strict sense, the II is a measure of the probability that a member of one group will meet or interact with a member of the same group. The II can be viewed more as a measure of sociological isolation.

A simple change in notation from the Exposure Index equation yields the formula for the Isolation Index given below. This measure is calculated for one racial or ethnic group at a time so unlike the DI or EI, it does not compare the distribution of two groups. Instead, each calculation measures the isolation of a single group.

Similar to the EI, this index describes the average neighborhood for racial and ethnic groups. It differs in that it measures social interaction with persons of the same group instead of other groups. The II is the minority weighted average (the first term of the equation) of each tract’s minority population (the second term) and can be defined as:

$$Prob = \sum_{i=1}^n \left( \frac{Min_i}{Min_T} \right) \left( \frac{Min_i}{Tot_i} \right)$$

where:

Prob = Probability that minority group members share an area with each other;

Min<sub>i</sub> = Minority group population of census tract i;

Min<sub>T</sub> = Minority group regional population;

Tot<sub>i</sub> = Total population of census tract i; and

n = Total number of census tracts in the region.

The II is a region-level measure for each race/Ethnicity summed up from tracts within the region. The II can be interpreted as a probability that has a lower bound of 0.0 (low

segregation corresponding to a small dispersed group) to 1.0 (high segregation implying that group members are entirely isolated from other groups).

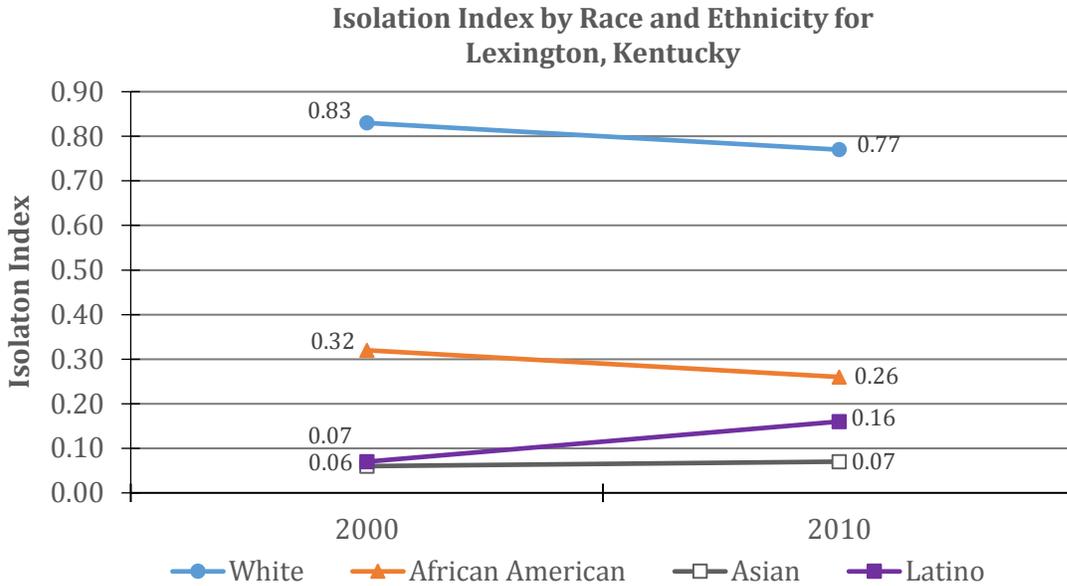
The Isolation Index values for Lexington show Whites to be the most isolated, in effect segregated, from other racial and ethnic groups, largely due to the fact that they make up the majority of Lexington’s population. In 2010, the average White resident lived in a tract that was 77% White, down from 83% in 2000. Isolation for African Americans also declined over the decade, from 0.32 in 2000 to 0.26 in 2010. Isolation Index values were lower for racial groups comprising lower shares of the population – the average Asian resident lived in a tract that was 7% Asian and the average Latino resident in a tract that was 16% Latino.<sup>15</sup> For each minority group, Isolation Indices indicate that residents are more likely to live amongst people of the same race/Ethnicity than can be explained solely by their population shares (14.3% for African Americans, 3.2% for Asians, and 6.9% for Latinos).

<b>Isolation Indices in Lexington, Kentucky</b>			
<b>Group</b>	<b>2000</b>	<b>2010</b>	<b>Change</b>
White	0.83	0.77	-0.06
African American	0.32	0.26	-0.06
Asian	0.06	0.07	0.01
Latino	0.07	0.16	0.09

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

---

<sup>15</sup> The Exposure and Isolation Index methodologies implicitly assumes that the tract populations are evenly distributed within a census tract so that the frequency of social interactions is based on the relative population counts by tract for each race or Ethnicity. Within actual neighborhoods racial and ethnic groups are not homogenous (e.g., families or small area enclaves) so that the chances of one group meeting another of the same group may be different than an even distribution might imply.



Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

## Entropy Index

Entropy, a mathematical concept based on the spatial evenness of the distribution of population groups, can be used to calculate diversity among racial and ethnic groups in a geographical area.<sup>16</sup> Both the Dissimilarity Index and Exposure Index can only measure the segregation of two groups relative to each other, but the Entropy Index has the advantage of being able to measure the spatial distribution of multiple racial and ethnic groups simultaneously.

The Entropy Score ( $h$ ) for a census tract is given by:

$$h_i = - \sum_{j=1}^k p_{ij} \ln(p_{ij})$$

where:

$k$  = Number of groups;

$p_{ij}$  = Proportion of population of  $j^{\text{th}}$  group in census tract  $i$  ( $= n_{ij}/n_i$ );

$n_{ij}$  = Number of population of  $j^{\text{th}}$  group in tract  $i$ ; and

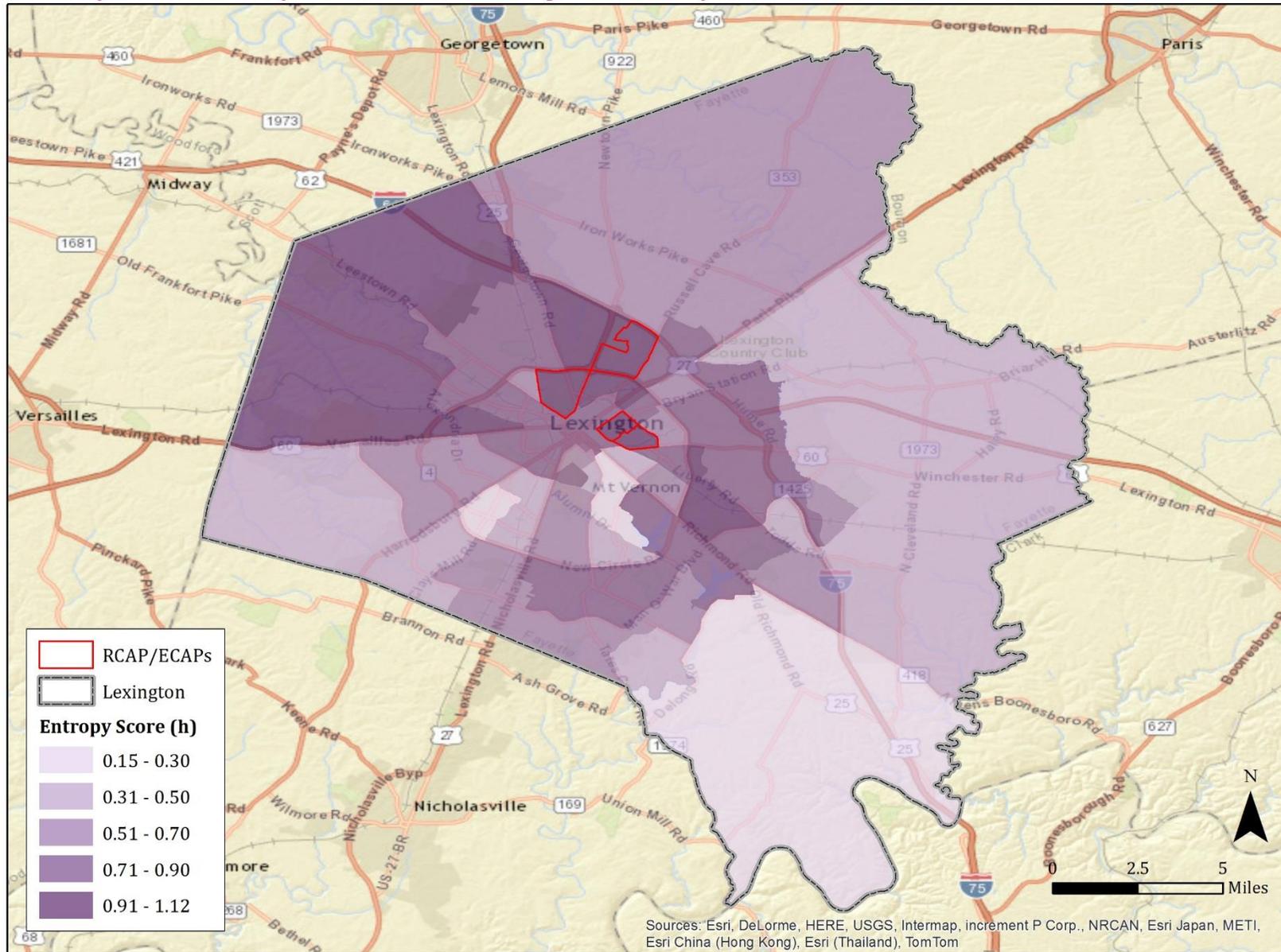
$n_i$  = Total population in tract  $i$ .

<sup>16</sup> Iceland, John. 2004. "The Multigroup Entropy Index (Also Known as Theil's H or the Information Theory Index)." University of Maryland.

The higher the calculated value for  $h$ , the more racially and/or ethnically diverse the tract. The maximum possible level of entropy is given by the natural logarithm ( $\ln$ ) of the number of groups used in the calculations. The maximum score occurs when all groups have equal representation in the geographic area. In this case  $k = 4$  (non-Latino Whites, non-Latino African Americans/African Americans, non-Latino Asians, and Latinos) so the maximum value for  $h$  is  $\ln(4) = 1.39$ . A tract with  $h = 1.39$  would have equal proportions of all groups (high diversity) and a tract with  $h = 0.0$  would contain only a single group (low diversity).

The Diversity Index map below shows the results of the tract-level calculations of the Entropy Score as a measure of diversity for Lexington census tracts in 2010. Visually, it can be seen that most of the tracts with the highest diversity levels ( $h$  values above 0.9) are in the westernmost portion of Lexington along I-64, Leestown Road, and Old Frankfort Pike. Other high diversity tracts lie between US-25 and I-75 along North Broadway and Newtown Pike and in the area between US-25, the US-25 bypass, Liberty Road, and Man O'War Boulevard. Many of these tracts are also RCAP/ECAPs, indicating that minority residents (predominately African Americans) make up a significant share of the population.

## Diversity Index Values by Census Tract in Lexington, Kentucky, 2010



Source: 2010 U.S. Census SF1, Table P5

The Entropy Score is not a true measure of segregation because it does not assess the distribution of racial and ethnic groups across a region. A region can be very diverse if all minority groups are present but also highly segregated if all groups live entirely in their own neighborhoods (or census tracts). However, Entropy Scores, measures of tract-level diversity, can be used to calculate the Entropy Index<sup>17</sup> (EI) which measures the distribution of multi-group diversity across tracts and an entire region.

The EI measures unevenness in the distribution of multiple racial and ethnic groups in a region by calculating the difference in entropy between census tracts and the larger region as a whole. The Entropy Index (H) for a region is the weighted average variation of each tract's entropy score differenced with the region-wide entropy as a fraction of the region's total entropy (Iceland 2004):

where:

$$H = \frac{\hat{H} - \bar{H}}{\hat{H}}$$

$\hat{H}$  = Entropy for the region's tracts as a whole;

$\bar{H}$  = Average of the individual census tracts' values of h weighted by the population; and

H = Entropy Index for the region.

The EI ranges between H = 0.0 when all tracts have the same composition as the entire region (minimum segregation) to a maximum of H = 1.0 when all tracts contain one group only (maximum segregation).<sup>18</sup> Regions with higher values of H have less uniform racial distributions and regions with lower values of H have more uniform racial distributions.

The Entropy Index table gives the result of an entropy calculation for Lexington as a whole. Over the 2000-2010 decade the EI decreased slightly, from 0.18 to 0.15. This method of entropy analysis gives a concise summary statement that levels of diversity in Lexington census tracts are relatively similar to diversity countywide, and has become more similar over the last ten years.

---

<sup>17</sup> Iceland, John. 2002. "Beyond African American and White: Metropolitan Residential Segregation in Multi-Ethnic America," U.S. Census Bureau, Housing and Household Economic Statistics Division, paper presented at the American Sociological Association meetings, Chicago, Illinois.

<sup>18</sup> White, Michael J. 1986. "Predicted Ethnic Diversity Measures for 318 U.S. Metropolitan Areas by Census Region, 1980." *Population Index*, Vol. 52.

Entropy Index in Lexington, Kentucky		
2000	2010	Change
0.18	0.15	-0.03

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

## Summary of the Four Segregation Indices

One important question concerns whether the overall racial and ethnic segregation in Lexington has worsened, improved, or remained about the same between 2000 and 2010. The methodologies used in this analysis indicate that segregation is low or modest between most pairing of population segments, with the exception of segregation between Asians with African Americans and Latinos. In general, interaction amongst minority population groups increased from 2000 to 2010, although levels of exposure for several pairings remained constant. Exposure of minority groups to Whites declined as Lexington became more diverse; in contrast, Whites exposure to African American and Latino residents increased over the decade.

Both African American and White residents are most likely to interact amongst themselves or with each other, not surprising given that these are Lexington's two largest population segments. In both 2000 and 2010, Asians and Latinos were most likely to live in the same areas as Whites; Latinos were considerably more likely to live in the same areas as African Americans than Asians were.

In comparison to other U.S. metro areas, the level of African American/White segregation in the Lexington-Fayette MSA is moderate – of the 384 metro areas included in the US 2010 project, it is ranked 195<sup>th</sup> with a DI of 0.46. In terms of segregation between Whites and Latinos, the Lexington-Fayette MSA is ranked 151<sup>st</sup> with a DI of 0.39. In comparison, the Louisville MSA ranks 83<sup>rd</sup> for African American/White segregation (DI = 0.56) and 156<sup>th</sup> for Latino/White segregation (DI = 0.39).<sup>19</sup>

---

<sup>19</sup> US 2010: America in the First Decade of the New Century. Residential Segregation data. Accessed on May 2, 2016. <http://www.s4.brown.edu/us2010/SegSorting/Default.aspx>

## Housing Profile

This section of the AI profiles Lexington’s housing market, focusing on affordability. It contains information on historical housing production, tenure (renter/ owner), vacancy rates, unit sizes, condition, overcrowding and housing cost. The existing housing market will be reviewed followed by an assessment of population demand for housing.

### Housing Stock Characteristics

The Lexington-Fayette, KY Metropolitan Statistical Area consists of Bourbon, Clark, Fayette, Jessamine, Scott, and Woodford Counties in east-central Kentucky. According to the 2010-2014 American Community Survey, there are an estimated 138,832 housing units in Lexington and 214,924 in the Lexington-Fayette MSA. During the period between 2000 and 2014, the number of housing units in the Lexington-Fayette MSA has increased by 20.5% and the number of units within Lexington has increased at 19.5%. When comparing housing units by occupancy status in Lexington to the state of Kentucky and US, Lexington has experienced a steady growth in housing units from 2000-2014.

Residential vacancy rates are a good indicator of how well the current supply of housing is meeting the demand for various types of units. A certain number of vacant housing units are needed in any community to moderate the cost of housing, allow for sufficient housing choices, and provide an incentive for landlords and owners to maintain their housing. In 2014, Lexington had a vacancy rate of 8.2% and 8.5% in the Lexington-Fayette MSA, which is significantly lower than the state and national average of 12%.

Housing Units by Occupancy Status in Lexington, Kentucky				
	2000	2010	2014	2000-2014 Change
Total Housing Units	116,167	135,160	138,832	19.5%
Occupied Housing Units	108,288	123,043	127,412	17.7%
Vacant Housing Units	7,879	12,117	11,420	44.9%
Vacancy Rate	6.8%	9.0%	8.2%	+1.4% points

Sources: U.S. Census 2000 SF1 Table H003 and 2010 SF1 Table H3 and 2014 1-Year American Community Survey Table B25002

Variety in terms of tenure and structure type is important in providing housing options to meet the needs of all residents, including low-income, elderly, persons with disabilities, and other special needs populations. Multifamily housing, including rental apartments, are often more affordable than single-family homes for low- to moderate-income households and

those with fixed incomes. Multifamily units may also be the preference of elderly and disabled householders who are unable or do not desire to maintain a single-family home.

A region’s housing stock is comprised of three categories: single-family dwelling units, multi-family dwelling units, and other types of units such as mobile homes. Significant changes have occurred within the composition of the housing stock in Lexington over the past decade. Single-family detached units continue to comprise the majority of the housing stock, with the proportion of these homes remaining stable at about 60.5% in Lexington and 65.1% in the Lexington-Fayette MSA as noted in the following table.

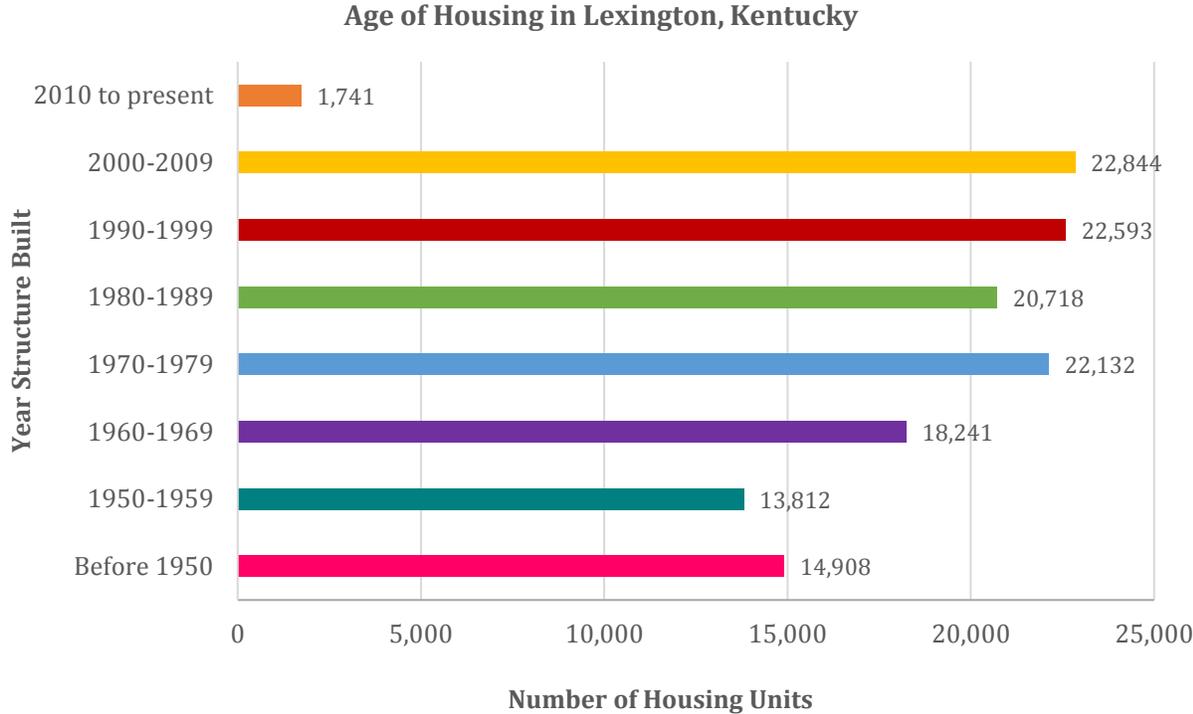
Multi-family units consist of structures with two or more units. Generally, multi-family units (particularly with five or more units in a structure) are rental units along the lines of those found in a common apartment complex. The segment of Lexington’s multi-family housing inventory that has experienced the most significant growth is that consisting of structures with 20-49 units. This segment has grown by 56.4% in Lexington and 53.5% in the Lexington-Fayette MSA since 2000, which is comparable to the state and national trends.

<b>Housing Units by Structure Type in Lexington, Kentucky</b>					
<b>Units in Structure</b>	<b>2000</b>		<b>2010-2014</b>		<b>Percent Change</b>
	<b>Number</b>	<b>Share</b>	<b>Number</b>	<b>Share</b>	
1, detached	66,677	57.4%	82,841	60.5%	24.2%
1, attached	5,381	4.6%	6,571	4.8%	22.1%
2-4	12,465	10.7%	12,245	8.9%	-1.8%
5-19	19,152	16.5%	20,127	14.7%	5.1%
20-49	4,754	4.1%	7,436	5.4%	56.4%
50 or more	6,048	5.2%	6,271	4.6%	3.7%
Mobile home	1,636	1.4%	1,488	1.1%	-9.0%
Other	54	0.0%	10	0.0%	-81.5%
<b>Total</b>	<b>116,167</b>	<b>100.0%</b>	<b>136,989</b>	<b>100.0%</b>	<b>17.9%</b>

Sources: U.S. Census 2000 SF3 Table H030; 2010-2014 5-Year American Community Survey Table B25024

Assessing housing conditions in Lexington can provide the basis for developing policies and programs to maintain and preserve the quality of the housing stock. Housing age can indicate general housing conditions within a community. Housing is subject to gradual deterioration over time. Deteriorating housing can depress neighboring property values, discourage reinvestment, and eventually impact the quality of life in a neighborhood. Home rehabilitation can be an obstacle for senior homeowners with fixed incomes and mobility issues. Furthermore, housing units constructed prior to 1978 are likely to contain lead-based paint. The figure below shows the age of housing stock for Lexington. As shown in the figure

below nearly half of Lexington’s housing stock is over 30 years old, and only 34.4% of units were constructed since 1990.



Sources: 2010-2014 5-Year American Community Survey Tables B25034, B25035

The largest shares of homes in Lexington were built during the 1990s (16.5%) and 2000s (16.7%). Homes built during the 1970s and 1980s make up just under one-third of units (31.3%), and those constructed prior to 1970 comprise another third (34.3%). This breakdown is similar to that of the Lexington-Fayette MSA and the state. Nationally, housing tends to be older, with 40.5% of units built prior to 1970. In Lexington, the median age for all housing units is 36 years; nationally, the median age of housing is 40 years.

Tenure refers to the occupancy of a housing unit – whether the unit is owner occupied or occupied rental unit. Tenure preferences are primarily related to household income, composition, and ages of the household members; and housing cost burden is generally more prevalent among renters than among owners. However, extremely high costs of home ownership in some areas can create high levels of housing cost burden among owners. The tenure distribution (owner versus renter) of a community’s housing stock influences several aspects of the local housing market.

Residential mobility is influenced by tenure, with ownership housing evidencing a much lower turnover rate than rental housing. Lexington showed a higher proportion of owner-occupied housing (55.6%) than renter-occupied housing (44.1%) while 60.3% of units in the

Lexington-Fayette MSA were owner-occupied with only 39.7% renter-occupied. More than 62% of White, non-Hispanic residents own their homes within Lexington, which is by far the racial/ethnic group with the greatest proportion of homeowners with 36.2% of African American and 24.7% of Latino owner-occupied units. Latino households are the most likely group to rent (75.3%) followed by non-Hispanic African American householders (63.8%).

Housing Units by Occupancy Status and Tenure in Lexington, Kentucky				
Tenure	All Householders	Householder Race/Ethnicity		
		White Householder	African American Householder	Latino Householder
Occupied Units	123,043	95,440	16,907	5,502
Renter-Occupied Units	54,225	36,195	10,780	4,145
Renter Share	44.1%	37.9%	63.8%	75.3%
Owner-Occupied Units	68,818	59,245	6,127	1,357
Owner Share	55.9%	62.1%	36.2%	24.7%

Sources: 2010 U.S. Census SF1 Tables H16, H16B, H16H, and H16I

The homeownership rate in the Lexington-Fayette MSA (60.3%) is higher than in Lexington (55.9%). While the percentage of Latino homeowners is larger in the region compared to Lexington, it still is the lowest compared to other race and ethnic groups (26.5%).

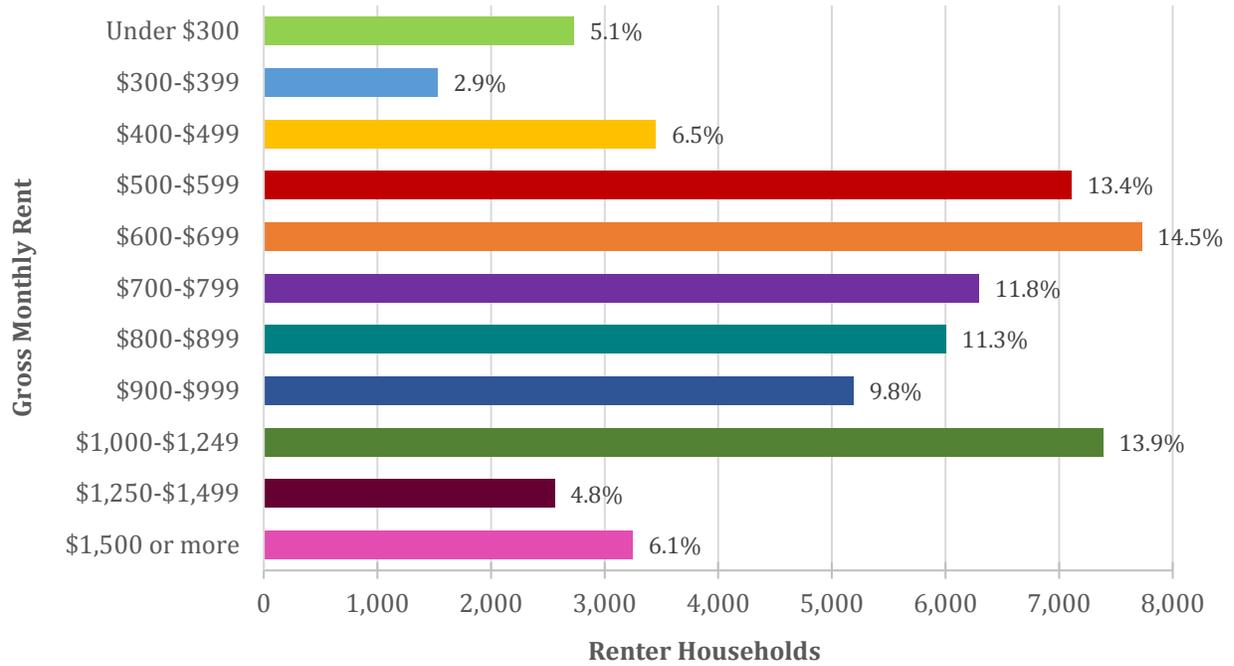
### Housing Affordability

Housing problems directly relate to the cost of housing in a community. If housing costs are relatively high in comparison to household income, a correspondingly high prevalence of housing cost burden and overcrowding occurs. The figures below identify housing costs for households by tenure in Lexington and the MSA. For owners in Lexington, monthly housing costs include mortgages, real estate taxes, various insurances, utilities/fuels, mobile home costs, and condominium fees. For renters, costs include contract rent plus utilities. For owners, the most common range of monthly housing costs is between \$1,000 and \$1,249 (20.5%), followed by \$1,500 to \$1,999 (19.4%) and \$1,250 to \$1,499 (16.9%).

Housing affordability alone is not necessarily a fair housing issue.

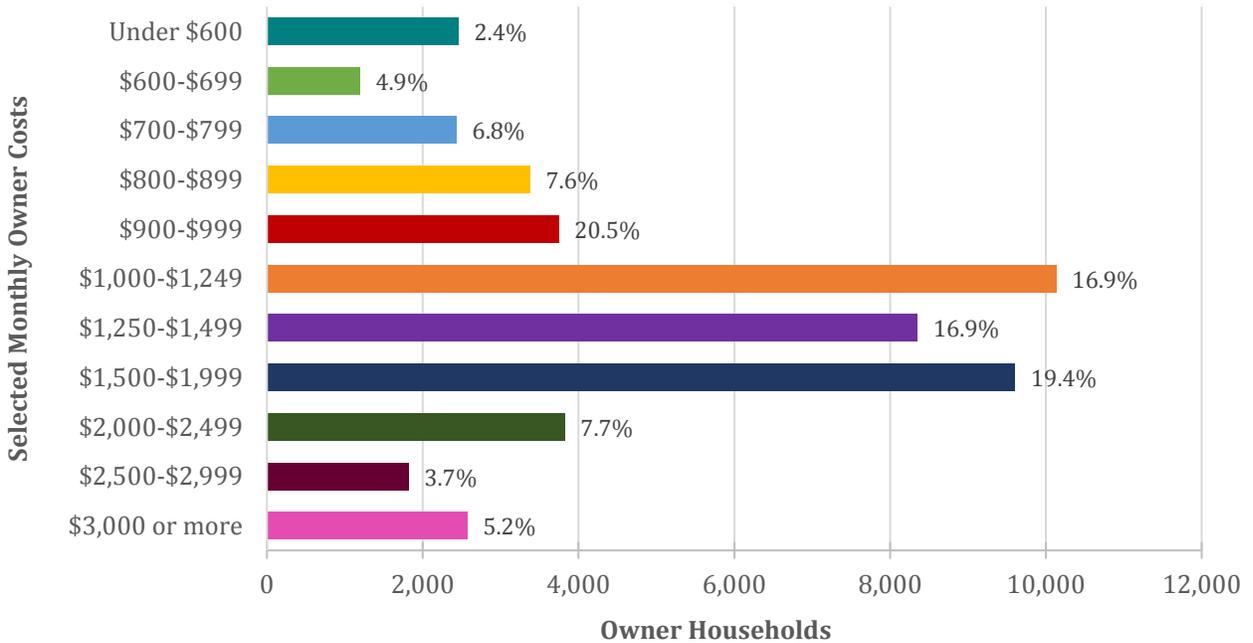
Fair housing concerns may arise when housing affordability interacts with other factors covered under the fair housing laws, such as household type, composition, and race/ethnicity.

### Gross Rent for Renter Households in Lexington, Kentucky



Source: 2010-2014 5-Year American Community Survey Table B25063

### Owner Costs for Owner Households with a Mortgage in Lexington, Kentucky



Source: 2010-2014 5-Year American Community Survey Table B25094

The cost of housing in a community is directly correlated to the number of housing problems and affordability issues. High housing costs can price lower income families out of the market, cause extreme cost burdens, or force households into overcrowded or substandard conditions. While housing affordability alone is not a fair housing issue, fair housing concerns may arise when housing affordability interacts with factors covered under the fair housing laws, such as household type, composition, and race/ethnicity.

Housing affordability can be estimated by comparing the cost of renting or owning a home with the maximum affordable housing costs to households at different income levels. Taken together, this information can generally indicate the size and type of housing available to each income group and can indicate which households are more susceptible to overcrowding and cost burden.

The National Low Income Housing Coalition’s annual Out of Reach report examines rental housing rates relative to income levels for counties and metro areas throughout the U.S. The data reflects the annual household income and hourly wages needed to afford Fair Market Rents (FMRs) in the Lexington-Fayette MSA for one, two, and three bedroom units.

To afford a one- bedroom rental unit at the Lexington-Fayette MSA FMR of \$593 without being cost burdened would require an annual income of at least \$23,720. This amount translates to a 63-hour work week at an hourly wage of \$11.40, or a 39-hour work week at the average renter wage. The two bedroom FMR of \$776 translates to an hourly wage of \$14.92, an 82-hour work week at minimum wage, or a 52-hour work week at the average renter wage.

<b>Number of Households</b>	<i>Lexington-Fayette MSA</i>
TOTAL	<b>191,204</b>
RENTER	<b>77,245</b>
PERCENT RENTERS	<b>40%</b>
<b>Housing Wage</b>	
ONE-BEDROOM	<b>\$11.40</b>
TWO-BEDROOM	<b>\$14.92</b>
THREE-BEDROOM	<b>\$21.25</b>
<b>Fair Market Rent</b>	
ONE-BEDROOM	<b>\$593</b>
TWO-BEDROOM	<b>\$776</b>
THREE-BEDROOM	<b>\$1,105</b>
<b>Annual Income Needed to Afford</b>	
ONE-BEDROOM	<b>\$23,720</b>
TWO-BEDROOM	<b>\$31,040</b>
THREE-BEDROOM	<b>\$44,200</b>
<b>Minimum Wage</b>	
MINIMUM WAGE	<b>\$7.25</b>
RENT AFFORDABLE AT MINIMUM WAGE	<b>\$377</b>
<b>Work Hours/Week at Minimum Wage</b>	
ONE-BEDROOM	<b>63</b>
TWO-BEDROOM	<b>82</b>
THREE-BEDROOM	<b>117</b>
<b>Renter Wage</b>	
ESTIMATED MEAN RENTER WAGE	<b>\$11.56</b>
RENT AFFORDABLE AT MEAN RENTER WAGE	<b>\$601</b>
<b>Work Hours/Week at Mean Renter Wage</b>	
ONE-BEDROOM	<b>39</b>
TWO-BEDROOM	<b>52</b>
THREE-BEDROOM	<b>74</b>
<b>Income Levels</b>	
30% OF AREA MEDIAN INCOME (AMI)	<b>\$20,460</b>
ESTIMATED RENTER MEDIAN INCOME	<b>\$28,566</b>
<b>Rent Affordable at Different Income Levels</b>	
30% OF AREA MEDIAN INCOME (AMI)	<b>\$512</b>
ESTIMATED RENTER MEDIAN INCOME	<b>\$714</b>

Source: National Low Income Housing Coalition Out of Reach 2015, Accessed from <http://nlihc.org>

## Housing Needs

To assess affordability and other types of housing needs, HUD identifies four housing problems:

1. A household is cost burdened if monthly housing costs (including property taxes, insurance, energy payments, water/sewer service, and trash collection for owners and utilities for renters) exceed 30% of monthly household income. A severe cost burden occurs when more than 50% of monthly household income is spent on monthly housing costs.
2. A household is overcrowded if there is more than 1.0 persons per room, not including kitchens and bathrooms. A household is severely overcrowded if there are more than 1.5 persons per room, not including kitchens or bathrooms.
3. A housing unit lacks complete kitchen facilities if it lacks one or more of the following facilities: cooking facilities, a refrigerator, or a sink with piped water.
4. A housing unit lacks complete plumbing facilities if it lacks one or more of the following facilities: hot and cold piped water, a flush toilet, and a bathtub or shower.

To assess housing need, HUD receives a special tabulation of data from the U.S. Census Bureau's American Community Survey that is largely not available through standard Census products. This data, known as the Comprehensive Housing Affordability Strategy (CHAS) data, counts the number of households that fit certain combinations of HUD-specified criteria, such as housing needs by income level, race, and ethnicity. CHAS data for low- and moderate-income households in Lexington (households with incomes of 80% area median income or less) is provided below.

<b>Housing Problems for Households with Incomes 80% AMI or Less</b>				
<b>Housing Problem</b>	<b>Renters</b>		<b>Owners</b>	
	<b>Households with Needs</b>	<b>Share of Total</b>	<b>Households with Needs</b>	<b>Share of Total</b>
Cost Burden	23,460	43.7%	9,045	13.1%
Severe Cost Burden	13,465	25.1%	4,315	6.2%
Overcrowded	1,310	2.4%	165	0.2%
Lacking Complete Kitchen or Plumbing	625	1.2%	85	0.1%
<b>Total Households with Needs</b>	<b>24,600</b>	<b>45.9%</b>	<b>9,220</b>	<b>13.3%</b>
<b>Total Households (Income &lt;80% AMI)</b>	<b>37,320</b>	<b>69.6%</b>	<b>14,580</b>	<b>21.1%</b>
<b>Total Households (All Incomes)</b>	<b>53,650</b>	<b>100.0%</b>	<b>69,140</b>	<b>100.0%</b>

Source: 2008-2012 CHAS Tables 1, 3, 8 and 10 retrieved from [https://www.huduser.gov/portal/datasets/cp/CHAS/data\\_download\\_chas.html](https://www.huduser.gov/portal/datasets/cp/CHAS/data_download_chas.html)

According to the 2008-2012 CHAS data there are an estimated 37,320 low and moderate-income renter households and 14,580 low and moderate-income owner households with one or more housing needs in Lexington. The most common housing needs are cost burdens. Of the low and moderate-income housing needs populations shown, 43.7% of renters and 13.1% of owners spend at least 30% of their income on housing. Renters make up a larger share of the cost burdened population at 23,460 households.

Severe cost burdens impact a much smaller subset of low and moderate-income households – 25.1% of renters and 6.2% of owners. Combined there are a total of 17,780 households with incomes below 80% AMI spending more than half of their income on housing. Over two in five households in Lexington (45.9%) experience one or more housing problems.

Comparing the race/ethnicity of households with housing problems to the overall population in Lexington and the Lexington-Fayette MSA, American Indian households had highest percentage difference at 54.1% of households with housing problems and 45.35% of households with severe housing problems. This indicates that there is slightly higher proportion of American Indian with one or more housing problems compared to the entire population.

<b>Housing Problems for Households with Incomes of 80% AMI or Less</b>					
<b>Householder Race/Ethnicity</b>	<b>Households with Housing Problems</b>		<b>Households with Severe Housing Problems</b>		<b>All Households</b>
	<b>Number</b>	<b>Share</b>	<b>Number</b>	<b>Share</b>	
Non-Latino					
White	22,620	23.9%	12,740	13.4%	94,815
African American	7,060	40.5%	4,090	23.5%	17,430
Asian	945	26.5%	644	18.1%	3,564
American Indian	185	54.1%	155	45.3%	342
Pacific Islander	0	---	0	---	85
Other/Multiple Races	604	42.1%	350	24.4%	1,434
Latino	2,410	47.0%	1,495	29.2%	5,125
<b>Total</b>	<b>33,824</b>	<b>27.5%</b>	<b>19,474</b>	<b>15.9%</b>	<b>122,795</b>
<b>Minority</b>	<b>11,204</b>	<b>40.0%</b>	<b>6,734</b>	<b>24.1%</b>	<b>27,980</b>

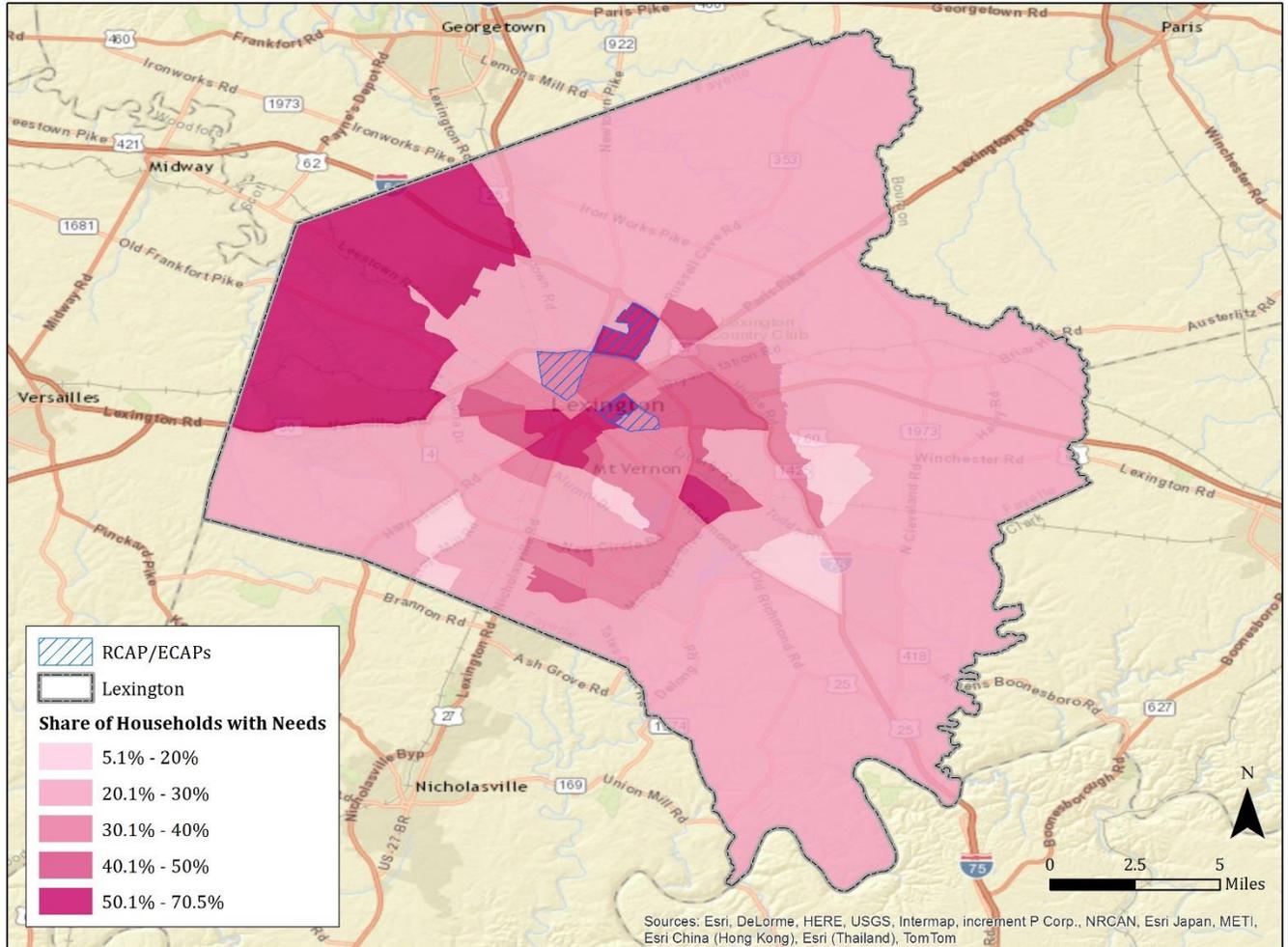
Source: 2008-2012 CHAS Tables 1 and 2 retrieved from [https://www.huduser.gov/portal/datasets/cp/CHAS/data\\_download\\_chas.html](https://www.huduser.gov/portal/datasets/cp/CHAS/data_download_chas.html)

<b>RCAP/ECAP Housing Indicators</b>				
<b>Indicator</b>	<b>RCAP/ECAPs</b>	<b>Lexington</b>	<b>State of Kentucky</b>	<b>United States</b>
Total Units (2010)	7,009	135,160	1,927,164	131.7 million
Vacancy Rate	14.6%	9.0%	10.8%	11.4%
Occupied Units (2010)	5,989	123,043	1,719,965	116.7 million
Renter Share	55.7%	44.1%	31.3%	34.9%
Owner Share	44.3%	55.9%	68.7%	65.1%
Structure Type (2010-2014)				
Single Family (detached or attached)	58.1%	65.3%	69.7%	67.5%
Small Multifamily (under 20 units)	25.0%	23.6%	15.0%	17.4%
Large Multifamily (20+ units)	9.4%	10.0%	3.1%	8.6%
Mobile Homes	7.4%	1.1%	12.2%	6.4%
Other (Boat, RV, etc.)	0.1%	0.0%	0.1%	0.1%
Age of Housing (2010-2014)				
Built before 1950	23.4%	10.9%	15.5%	18.7%
Built from 1950 to 1980	44.8%	39.6%	37.6%	37.7%
Median Year Built	1971	1980	1978	1976
Price of Housing (2010-2014)				
Median Rental Rate	\$612	\$766	\$667	\$920
Median Monthly Owner Costs (w/ a mortgage)	\$852	\$1,292	\$1,124	\$1,522
Median Monthly Owner Costs (no mortgage)	\$326	\$408	\$336	\$457

Sources: 2010 U.S. Census SF1 Tables H3 and H16; 2010-2014 5-Year American Community Survey Tables B25024, B25034, B25063, B25064, B25087 and B25088

The map on the following page identifies rates of housing need by census tract. Areas where more than half of households had one or more housing problems include one tract on Lexington’s western edge, one tract southeast of the Newtown Pike exit on I-64, two tracts at the northeast intersection of New Circle Road and US 25/Richmond Road, and seven tracts in central Lexington. The tracts in central Lexington include parts of downtown and the areas to the south surrounding the University of Kentucky and the Red Mile track. Note that these areas do not necessarily have Lexington’s highest poverty levels, but rather are parts of the community where residents spend the most for housing relative to their incomes. Three of these tracts are also have minority populations over 50%. They include an RCAP/ECAP south of I-64, an RCAP/ECAP in downtown, and the area immediately north of US 25/Richmond Road.

### Share of Households with One or More Housing Needs by Census Tract, Lexington, Kentucky



### Publicly Supported Housing (Subsidized Housing)

Publicly supported housing is rental housing funded through federal, state, and local programs that offer lower rents to specific households based on income. The following will discuss publicly supported rental housing units and describe the current existing properties offering rents for low- and moderate-income families.

The availability and location of public and assisted housing may be a fair housing concern. If such housing is concentrated in one area of a community or of a region, a household seeking affordable housing is limited to choices within the area. Public/assisted housing and housing assistance must be accessible to qualified households regardless of race/ethnicity, disability, or other special characteristics.

There are 8,544 assisted (or subsidized) housing units in Lexington. The Lexington Housing Authority offers housing opportunities for households earning below 50% of the Area

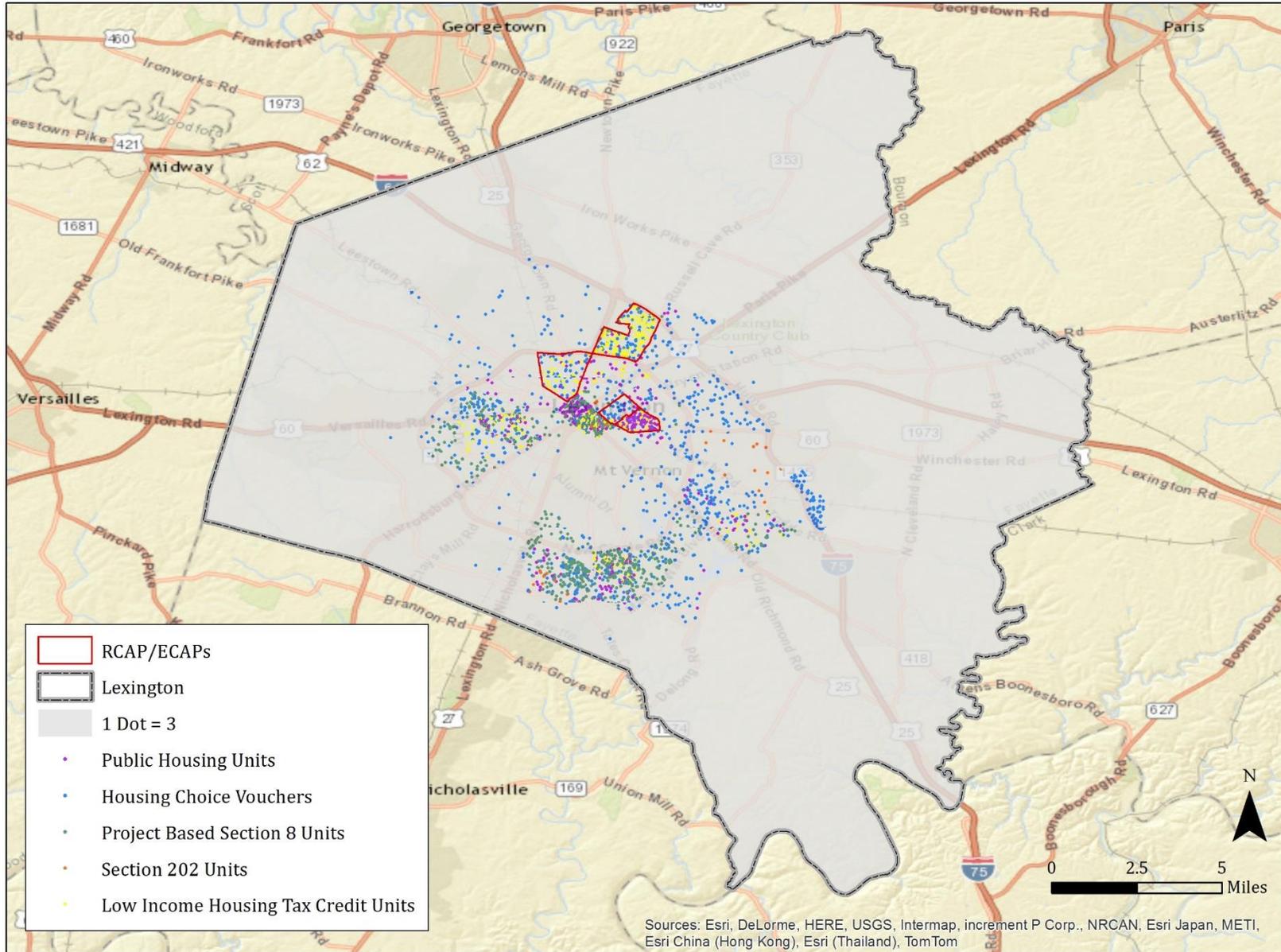
Median Income (AMI). Public housing is rental housing owned by the housing authorities offering subsidized rents for low-income households. Low-income families receiving Housing Choice Vouchers can rent any privately-owned rental unit and pay a portion of the rent using a Housing Choice Voucher. The final program is the Project-based Section 8 Program where rental vouchers are paired with specific housing units owned by private or non-profit entities.

According to HUD’s Picture of Subsidized Households, the Lexington-Fayette Urban County Housing Authority manages more than 1,000 units of public housing, over 2,500 Section 8 vouchers. The following table summarizes the race and ethnicity of the head of households of those households being assisted by public housing and Section 8. Most of Lexington’s public housing recipients (83%) and voucher recipients (72%) were minorities with the largest percentage of those recipients being African American female-headed households. The following map depicts the subsidized housing units in Lexington.

<b>Subsidized Housing Inventory</b>				
<b>Indicator</b>	<b>Public Housing</b>	<b>Housing Choice Vouchers</b>	<b>Project Based Section 8</b>	<b>Section 202</b>
Total Units	1,097	2,752	2,005	112
Occupancy Rate	91%	83%	94%	99%
Total Persons Housed	2,354	5,911	3,117	113
Average Tenure	5.7 years	8.1 years	4.9 years	5.3 years
Average Time on Waiting List	NA	1.3 years	NA	NA
Resident Composition				
Race				
Minority	83%	72%	44%	28%
African American	81%	71%	38%	24%
Asian	0%	0%	3%	0%
Latino	2%	1%	2%	3%
Sex of Householder				
Female Householder	81%	83%	75%	79%
Familial Status				
Households with Children	57%	56%	30%	NA
Female Householders with Children	54%	53%	27%	NA
Disability Status				
Disabled Residents	16%	20%	17%	4%

Source: U.S. HUD Picture of Subsidized Households, Accessed from <https://www.huduser.gov/portal/datasets/picture/yearlydata.html>

## Subsidized Housing Units by Census Tract, Lexington, Kentucky



## Low-Income Housing Tax Credits

There are other ways that affordable housing is built using public funding, such as low-income housing tax credits. This program was created by the Tax Reform Act of 1986 and assists in the production of affordable homes for low-income renters by providing investors in eligible affordable housing developments with a dollar-for-dollar reduction in their federal tax liability. The Low Income Housing Tax Credit Program creates housing mainly for families earning below 60% AMI. There are 1,987 housing units in 41 properties in Lexington that are subsidized by LIHTCs as shown in the following table.

Low Income Housing Tax Credit Properties in Lexington, Kentucky				
Project Name	Project Address	Zip Code	Total Units	Low-Income Units
411 N Upper St	411 N Upper St	40508	4	4
Georgetown Street Hope Apts VI	613 Georgetown St	40508	17	17
Matador North Apts	1085 Winburn Dr	40511	170	170
Dmc Construction Com Housing			72	72
Fox Run Apts	1840 Mccullough Dr	40511	146	146
407 Chestnut St	407 Chestnut St	40508	10	10
1261 Atokad Park	1261 Atokad Park	40517	3	3
St James Place	169 Deweese St Area 1		102	99
Derbytown Apts Phase I	325 Bainbridge Dr	40509	24	24
Derbytown Apts Phase II	321 Bainbridge Dr	40509	24	24
Derbytown Apts Phase III	325 Bainbridge Dr	40509	16	16
Virginia Place	1115 Horsemans Ln	40504	56	56
Crittenden Place Apts	195 Vincent Blvd		24	24
Whitney Woods Apts	745 Whitney Woods Pl	40504	40	40
Serenity Place	1589 Hill View Pl	40504	40	40
12Th Street Hope Vi Apts	225 Twelfth St	40505	40	40
Ballard Place	650 Tower Plz	40508	134	134
Hillrise Place	709 Hill Rise Ct	40504	40	40
Hope Center For Women	1524 Versailles Rd	40504	34	34
Elm Tree Lane Apts	214 Elm Tree Ln		17	17
Ferrill Square Apts	471 Price Rd	40508	59	59
Sugar Mill Hope Development VI	1814 Versailles Rd	40504	61	60
First Presbyterian Church Apts	185 Market St	40507	10	10
Falcon Crest Apts - Lexington	1101 Centre Pkwy	40517	72	72
Lexington Single Family Project	728 Chiles Ave	40508	34	34
Bluegrass Aspendale Apts IV	581 E Sixth St	40508	88	88
Russell Cave HOPE VI	1050 Russell Cave Rd	40505	26	26
Shropshire Apts	634 Shropshire Ave	40508	32	32
St James Place II	169 Deweese St	40507	38	38

Virginia Place Phase II	1152 Horsemans Ln	40504	24	24
Bluegrass Aspendale Apts I	581 E Sixth St	40508	32	32
Bluegrass Aspendale Apts II	581 E Sixth St	40508	24	24
Gleneagles Apts	2920 Polo Club Blvd	40509	184	184
Bluegrass Aspendale Apts III	581 E Sixth St	40508	19	19
Bluegrass Aspendale Apts III-A	581 E Sixth St	40508	41	41
Grand Oaks Development	730 Triple Crown Cir	40508	88	88
Hamburg Senior Residence	1601 Villa Medici Pass	40509	62	62
Russell School Apts	211 W Fifth St	40508	27	27
Parkside Development (I and II)	1060 Cross Keys Rd	40504	72	72
Salem Village Apts	1109 Winburn Dr	40511	39	39
Davis Park View	830 De Roode St	40508	14	14
<b>Total Units</b>			<b>1,991</b>	<b>1,987</b>

Source: HUD LIHTC Database, Accessed on July 11, 2016 at <http://lihtc.huduser.gov/>

# Transportation & Infrastructure Analysis

---

The Lexington Transit Authority, better known as Lextran, has operated Lexington’s public transit system since 1972. Lextran is focused on providing transit service that is courteous, timely, safe, accessible, sustainable, affordable, and reliable. The Lextran system offers fixed-route bus service seven days a week from 6:00 am to 12:00 am and Wheels, a door-to-door, shared-ride paratransit service for those who are not able to access any other mode of transportation. Additionally, Lextran offers vanpool options and a “Cab Ride to Work” program through contracted partners.

According to the National Transit Database records, Lextran reported over 4.7 million passenger trips in 2014, plus an additional 188,000 paratransit trips, 41,000 vanpool trips, and 7,800 taxi trips through its “Cab Ride to Work” program. The average number of weekday passenger trips in 2014 was 15,654 using conventional bus service

Lextran Fare Schedule	
Adult	\$1.00
Students	\$0.80
Youth (age 7-18)	\$0.80
Senior Citizen (age 62+)	\$0.50
People with Disabilities	\$0.50
Medicare Members	\$0.50
Children (age 6 and under)	Free
Transfers	Free

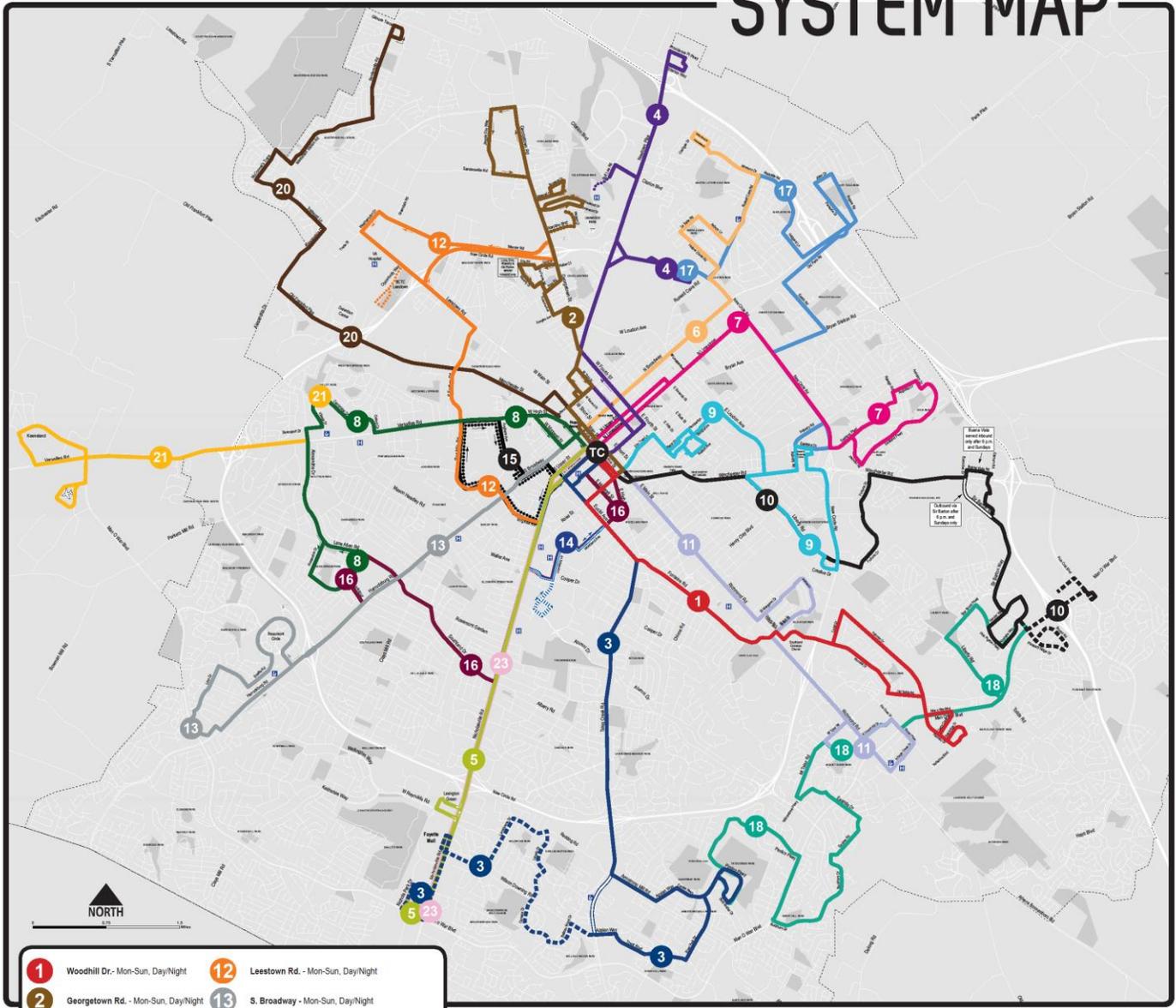
Source: Lextran

and 635 using paratransit service. Lextran reported a total bus fleet of 63 vehicles plus another 70 vehicles in its paratransit, vanpool, and taxi programs.<sup>20</sup> The transit system provides service throughout and beyond Lexington’s urban services boundary and nearly all areas within New Circle Road are less than a mile from a fixed-route bus line. The map on the following page shows the Lextran routes and service area.<sup>21</sup> A fare schedule appears in the table above.

---

<sup>20</sup> <http://www.ntdprogram.gov/ntdprogram/data.htm>

# SYSTEM MAP



- |  |   |
|--|---|
| 1 Woodhill Dr. - Mon-Sun, Day/Night      | 12 Leestown Rd. - Mon-Sun, Day/Night              |
| 2 Georgetown Rd. - Mon-Sun, Day/Night    | 13 S. Broadway - Mon-Sun, Day/Night               |
| 3 Tates Creek - Mon-Sun, Day/Night       | 14 UK Stadium - Fall/Spring Semester              |
| 4 Newtown Pike - Mon-Sun, Day/Night      | 15 Red Mile Rd. - Fall/Spring Semester            |
| 5 Nicholasville Rd. - Mon-Sun, Day/Night | 16 Southland Dr. - Mon-Fri, Day Only              |
| 6 N. Broadway Mon-Sun, Day/Night         | 17 Northside Connector Mon-Fri, Day Only          |
| 7 N. Limestone - Mon-Sun, Day/Night      | 18 Centre Pkwy. Connector Mon-Sat                 |
| 8 Versailles Rd. - Mon-Sun, Day/Night    | 20 Masterson Station - Mon-Fri, Day Only          |
| 9 Eastland Dr. - Mon-Sun, Day/Night      | 21 Airport-Keeneland - Mon-Fri, Peak Only         |
| 10 Hamburg - Mon-Sun, Day/Night          | 23 Nicholasville Rd. Express - Mon-Fri, Peak Only |
| 11 Richmond Rd. - Mon-Sun, Day/Night     |   |



01.03.2016

Source: Lextran, Accessed May 8, 2016. <http://www.lextran.com/routes>

As illustrated in the above fare schedule, Lextran offers reduced fares to those receiving Medicaid, people with disabilities, people age 62 and older, students, and children age 18 and younger. Fares for paratransit service are variable from \$1.60 to \$2.00 per one-way trip and depend upon the proximity of a requested trip to a regularly-scheduled Lextran bus route.<sup>22</sup>

In addition to public transportation options, the mobility of Lexington residents is supported by a network of roads and highways. These include Interstate 75 connecting Lexington to Cincinnati to the north and Knoxville to the south, Interstate 64 reaching westward to Louisville and eastward to Charleston, West Virginia. US Routes 25, 27, 60, 68, and 421 all serve the Lexington area, most acting as spokes converging in Lexington's downtown. In addition, numerous state and county roads provide connectivity for Lexington residents. Despite this strong road network, a 2014 comparison by Bankrate.com found Kentucky to be the 16th most expensive state in the U.S. for owning and operating a personal vehicle.<sup>23</sup> After combining the costs of gasoline, insurance, and repairs (note that lease or loan payments are not included), the average Kentucky car owner could expect to spend \$2,288 over the course of a year.

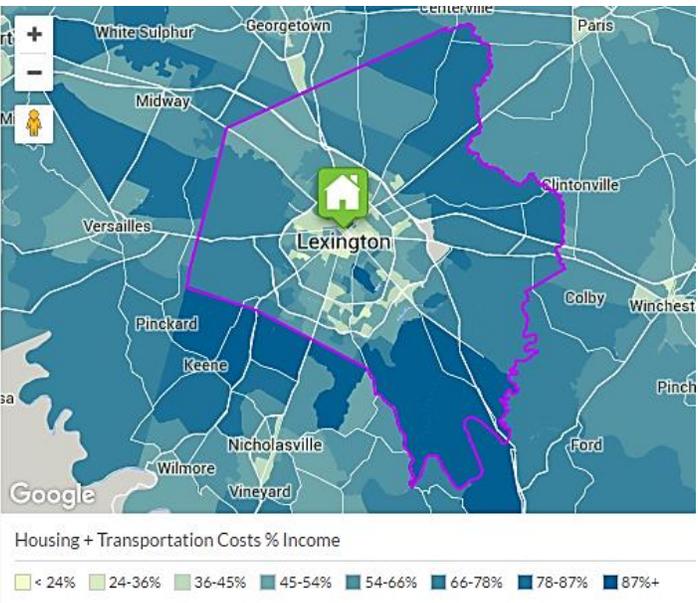
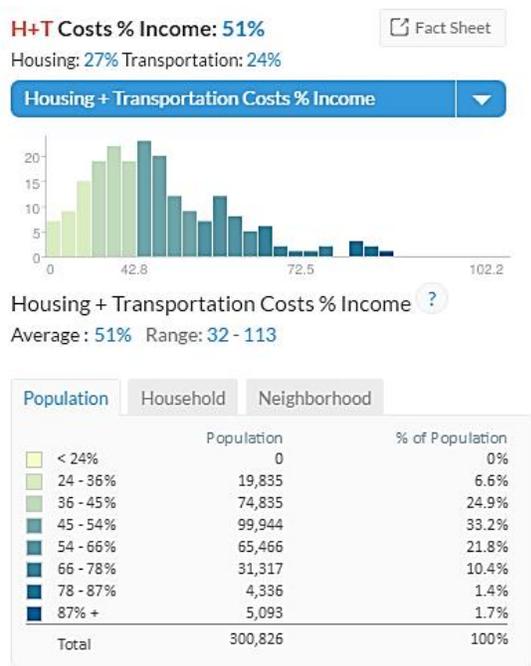
The availability, accessibility, and affordability of transportation options can have a major effect of housing choice. For a household unable to afford car ownership, housing choices may be limited only to areas accessible by public transit in order to enable access to employment or other services. The presence of good roads alone may not be sufficient to open up housing choices if the cost to traverse those roads is prohibitive. This can often be the case when someone lives a long distance from his or her place of employment in order to minimize housing costs. However, the further away one lives from an employment center, the higher her transportation costs become, potentially negating the savings in housing cost.

The Center for Neighborhood Technology (CNT), a nonprofit research organization, has established a Housing and Transportation Affordability Index that integrates these two important factors to provide a more comprehensive understanding of what it costs to live in a place. The graphic on the following page displays the data generated by CNT's index. Based on this analysis, a typical household in the region (which CNT estimates would have an income of \$49,441 and contain 2.42 people, one of whom would commute to work) would spend 24% of its income on transportation costs. The household's combined housing and transportation costs would be 51% of its income.

---

<sup>22</sup> Rider's Guide for Wheels. <http://lextran.com/riding-lextran/wheels>

<sup>23</sup> Bankrate.com, "Car Ownership Costs By State," Accessed May 8, 2016  
<http://www.bankrate.com/finance/auto/car-ownership-costs-by-state.aspx>



Source: The Center for Neighborhood Technology. Retrieved from <http://htaindex.cnt.org/map/>

In this analysis, housing costs appear to have a greater influence on affordability than do transportation costs. While most areas within New Circle Road have very good transit access and are proximate to employment centers, minimizing transportation costs, some neighborhoods, notably Chevy Chase and Ashland, have a relatively high Housing + Transportation index value, likely owing more to high housing costs than anything else. However, it is generally less costly to live in proximity to central Lexington, roughly inside the bounds of I-75 and Man o' War Boulevard.

## Access to Areas of Opportunity

---

Among the many factors that drive housing choice for individuals and families are neighborhood factors including access to quality schools, jobs, and healthcare. This section examines these dimensions geographically relative to locations of RCAP/ECAPs, and evaluates levels of access to opportunity by race and ethnicity.

### HUD Opportunity Indicators

To measure economic and educational conditions at a neighborhood level, HUD's Office of Policy Development and Research developed a methodology to "quantify the degree to which a neighborhood offers features commonly associated with opportunity."<sup>24</sup> For each block group in the U.S., HUD provides a score on several "opportunity dimensions," including poverty, school proficiency, labor market engagement, and jobs access, calculated based on the following:

- Poverty index – family poverty rates and share of households receiving public assistance;
- School proficiency index – school-level data regarding elementary school student performance on state exams;
- Labor market engagement index – employment levels, labor force participation and educational attainment;
- Job access index – distance to job locations and labor supply levels; and
- Environmental health hazard exposure index – proximity to known sources of toxic industrial release.

For each block group, a value is calculated for each index and results are then standardized on a 0 to 100 scale based on relative ranking within the metro area (or non-metro balance of the state). For each opportunity dimension, a higher index score indicates more favorable neighborhood characteristics. The maps that follow show the HUD-provided opportunity scores for block groups in Lexington for poverty, school proficiency, labor market engagement, jobs access, and environmental health hazard exposure. In each map, lighter shading indicates areas of lower opportunity and darker shading indicates higher opportunity.

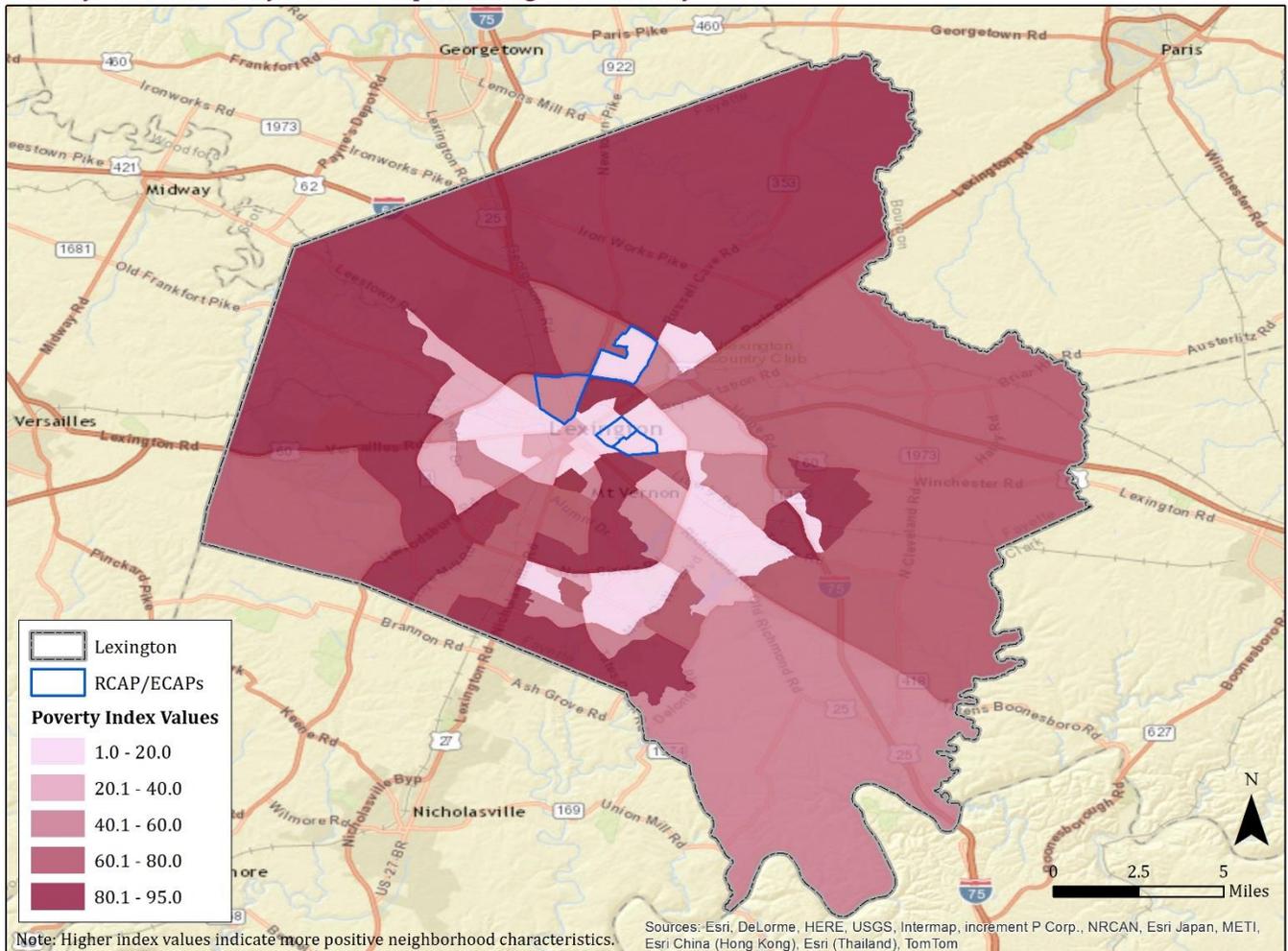
---

<sup>24</sup> HUD Office of Policy Development and Research, "FHEA Data Documentation," Draft. 2013. p. 4.

## Poverty Index

Looking at the poverty index, highest indicator values (i.e., lowest poverty and public assistance rates) are in the northern area of Lexington between I-64 and US Highway 60. The lowest index values, indicating higher poverty rates, tended to be in the central areas of Lexington. Three of the four RCAP/ECAP areas are comprised of block groups with the lowest index scores (under 20), not surprising given that high poverty rates are one of the defining characteristics of these RCAP/ECAP areas.

**Poverty Index Values by Block Group in Lexington, Kentucky**

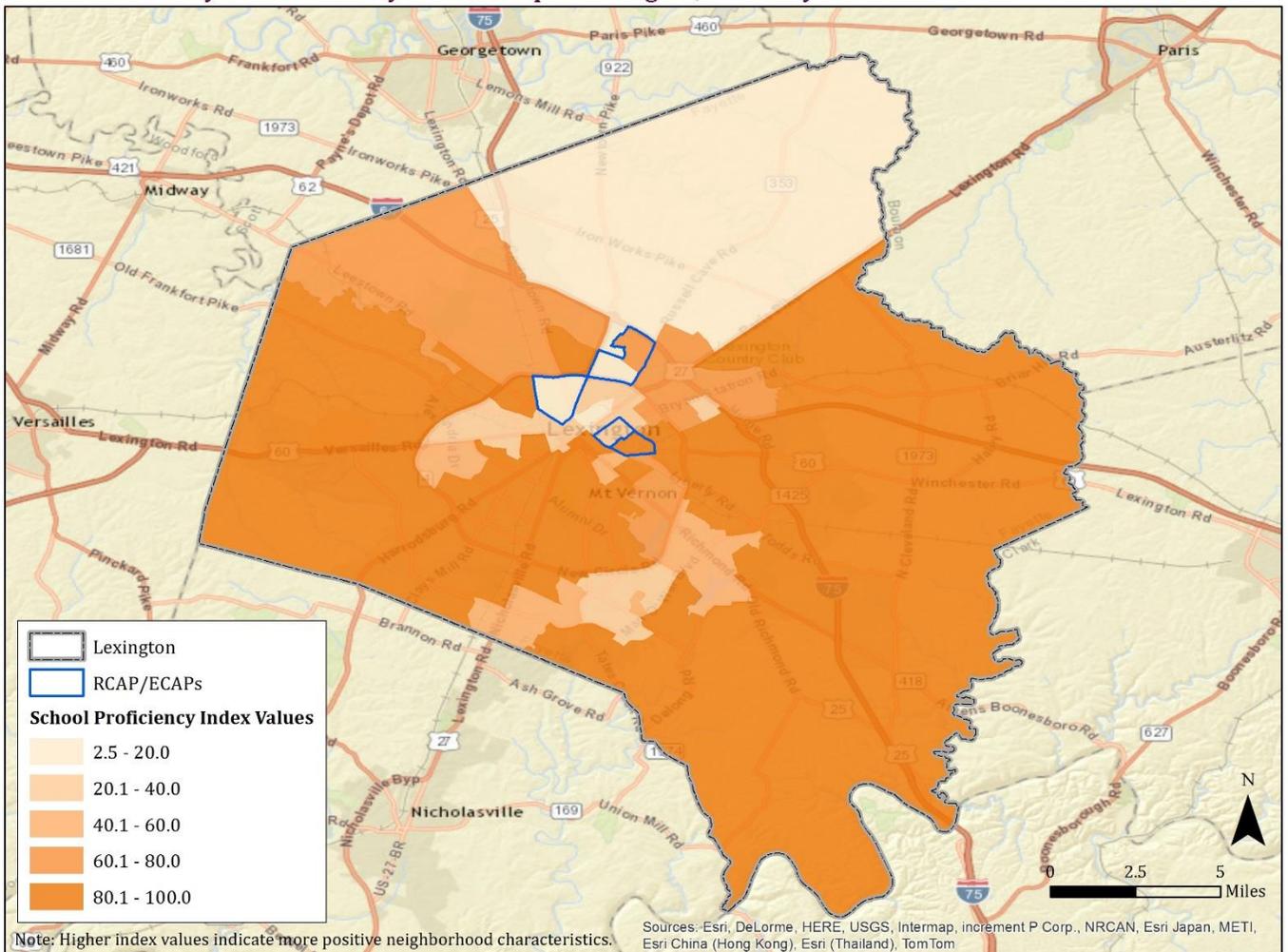


Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

## School Proficiency Index

HUD provides communities with a school proficiency index, based on its compilation of state testing data from public elementary schools. Based on this index, HUD's figures reveal high index values (i.e., school attendance zones associated with the best-performing schools) in parts of downtown Lexington and in west Lexington's neighborhoods. Several of the RCAP/ECAP tracts are located in the lowest scoring regions for school proficiency, yet one other RCAP/ECAP tract located in the northcentral region of Lexington is in a relatively high opportunity area with regard to school proficiency.

**School Proficiency Index Values by Block Group in Lexington, Kentucky**

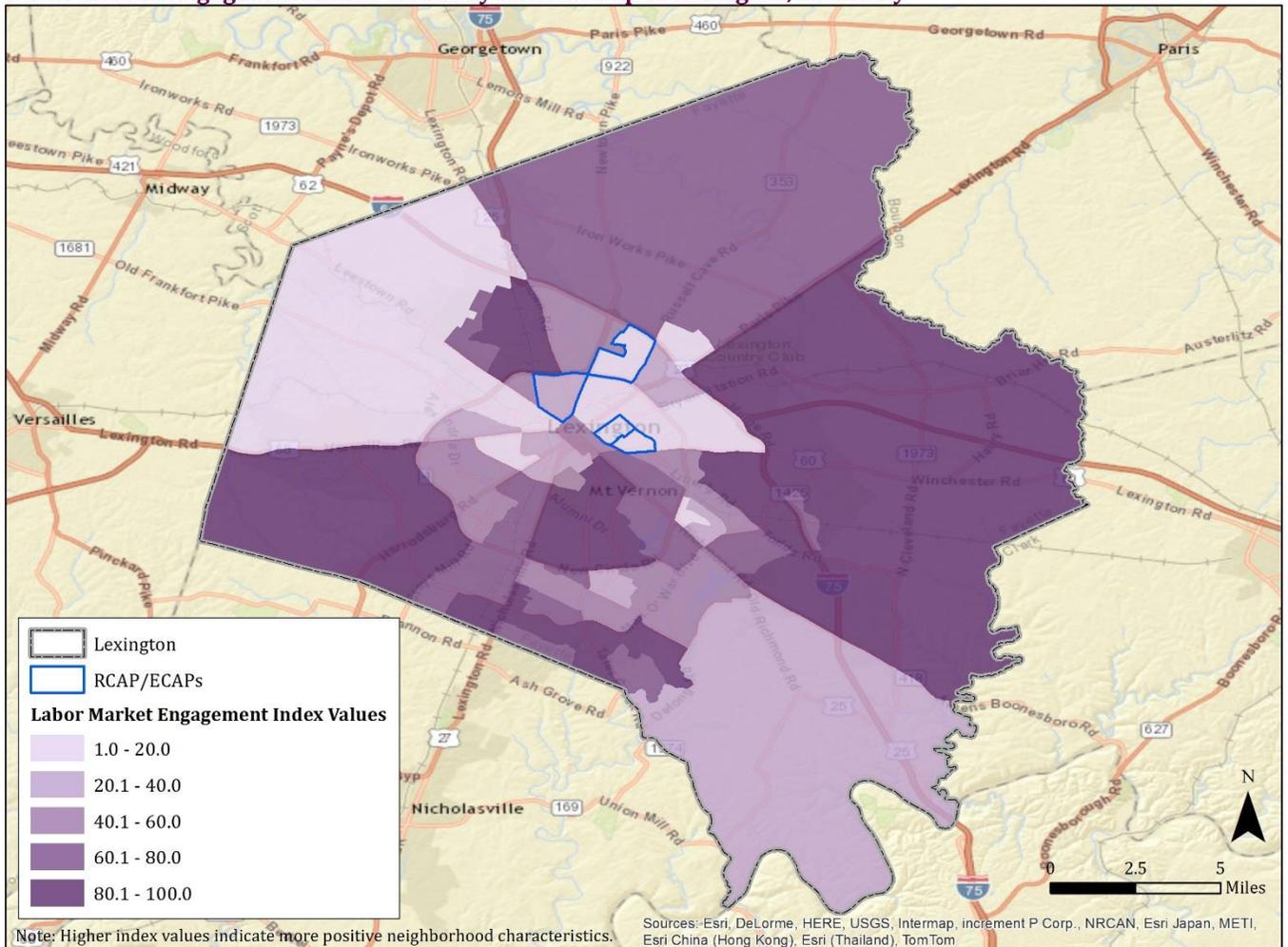


Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

## Labor Market Engagement Index

The next map shows labor market engagement scores for Lexington, which are calculated by HUD based on unemployment rate, labor force participation rate, and the share of the population with a bachelor's degree or higher. Lowest scores (index values of 20 or less), and thus the least relative labor market engagement, are nearly all found in block groups in the northeastern portion of the urbanized area and in the western reaches of Lexington along the Old Frankfort Pike corridor. Again, the majority of RCAP/ECAP neighborhoods are located in areas with low labor market engagement.

**Labor Market Engagement Index Values by Block Group in Lexington, Kentucky**

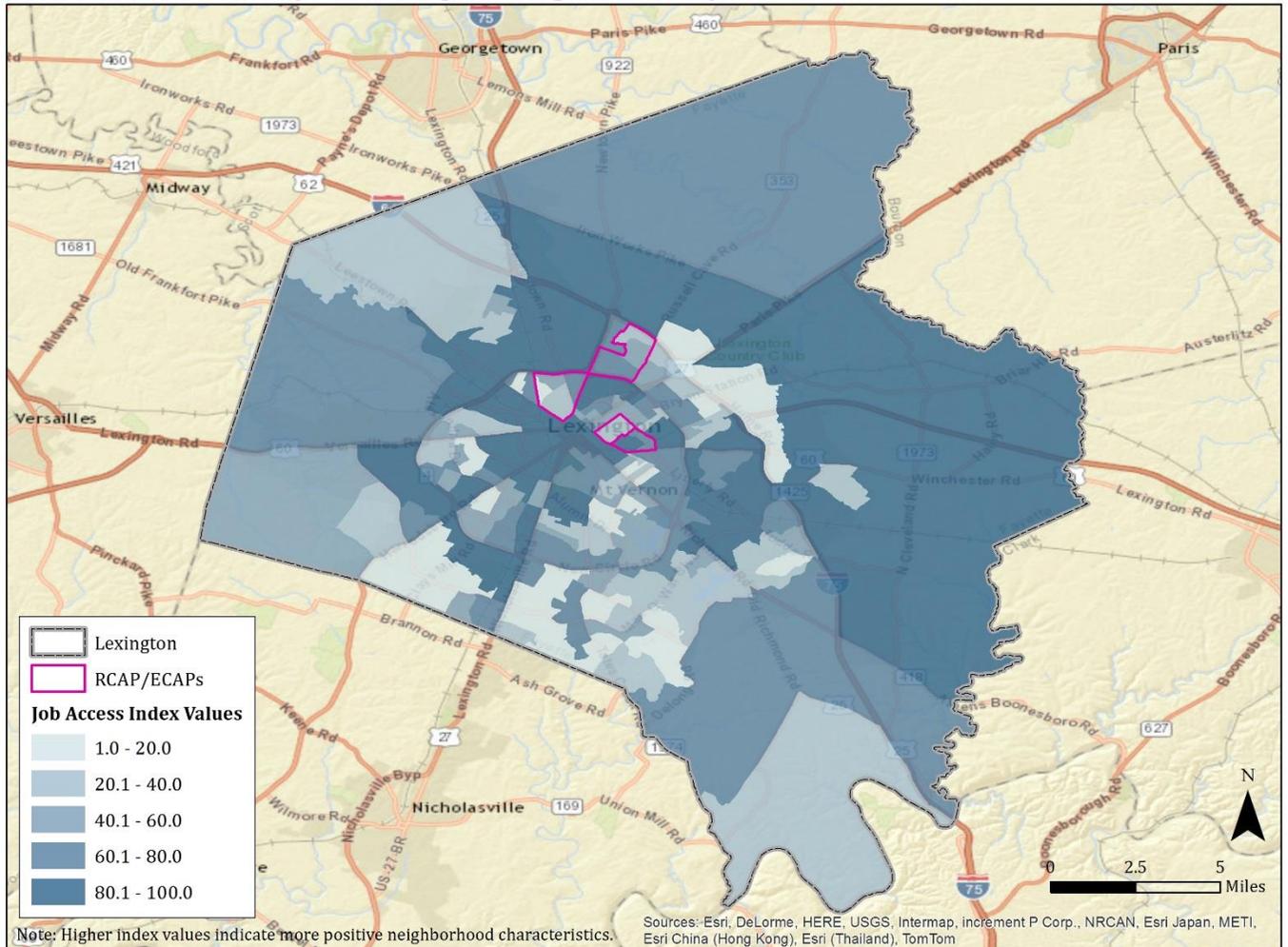


Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

## Job Access Index

The job access indicator refers to the distance to jobs relative to the number of workers in the area. The index values here were quite variable and did not correlate well with RCAP/ECAPs, areas of high poverty, or even with labor market engagement metrics, as RCAP/ECAP areas did not have the highest rates.

### Job Access Index Values by Block Group in Lexington, Kentucky

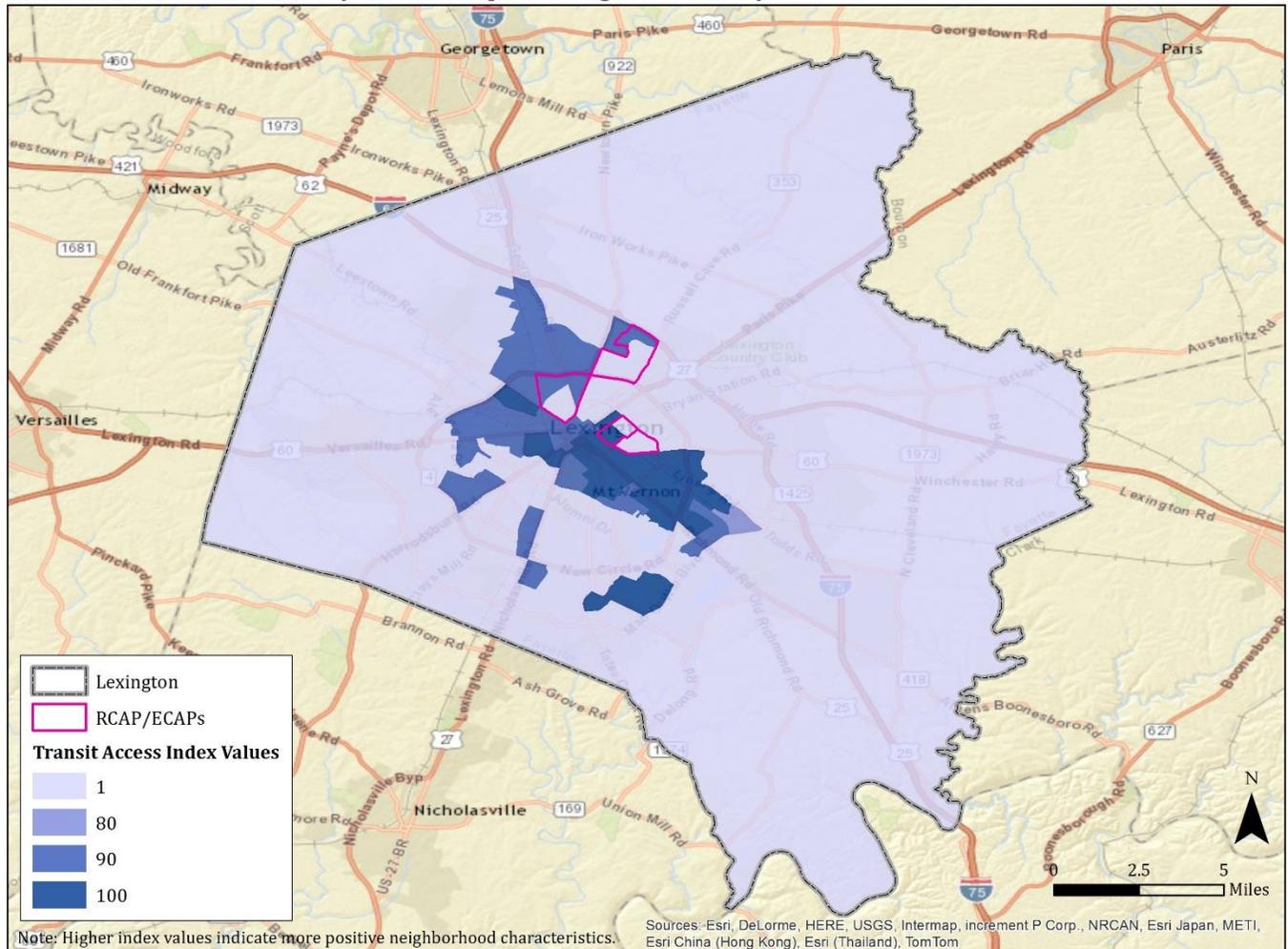


Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

## Transit Access Index

HUD's transit access index is designed to estimate transit access and typical costs associated with transit. The index uses household demographic indicators including: access to employment, household size and income, and the number of commuters per household to determine access values. Access values also include calculations of how many amenities can be accessed using available public transportation options. The majority of Lexington has low transit access and, notably, the majority of RCAP/ECAP block groups are located in the lowest transit access areas.

**Transit Access Index Values by Block Group in Lexington, Kentucky**

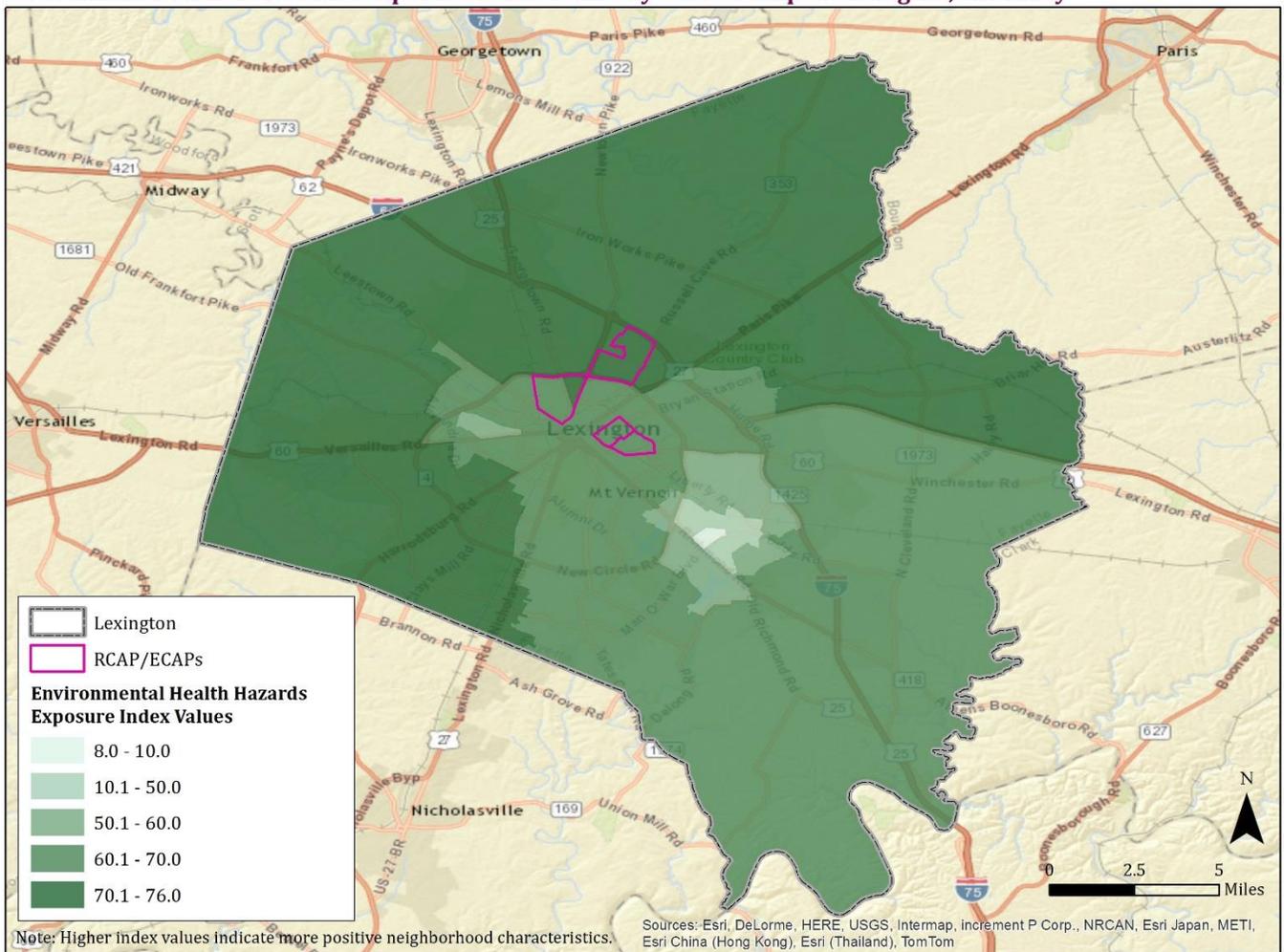


Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

## Environmental Health Hazard Exposure Index

The final indicator examined here – environmental health hazard exposure – is based on the volume and toxicity of known industrial releases and a neighborhood’s proximity to the sources of such emissions. With the exception of an area surrounding Lakeside Golf Course and Jacobson Park near Richmond Road and Man o’ War Boulevard, nearly all areas, and particularly northern and western regions, had high index values (meaning low levels of exposure to environmental health hazards).

**Environmental Health Hazards Exposure Index Values by Block Group in Lexington, Kentucky**



Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

## Opportunity Levels by Race and Ethnicity

In addition to looking at opportunity scores for RCAP/ECAPs, access to opportunity for protected classes can be examined using a methodology developed by HUD that compares relative exposure to neighborhood opportunity dimensions for different population subgroups (i.e., racial and ethnic groups). An average index score for each subgroup is found by averaging the block group scores weighted by the subgroup population. Comparing these average scores reveals any potential disparities in access to opportunity based on residential patterns of subgroups. In other words, the analysis assesses whether some subgroups tend to live in higher opportunity areas than others.

The tables that follow compare average opportunity scores for several racial and ethnic groups in Lexington. Indices for each minority group are compared to those for Whites to arrive at an estimate of disparity.<sup>25</sup> Positive disparity numbers indicate that Whites, on average, reside in more favorable neighborhood conditions (higher values for the opportunity dimensions) than the minority group being compared. Negative values indicate that the minority group tends to live in neighborhoods with more favorable conditions than their White counterparts.

The data in the top portion of the table on the following page shows that the average White resident in Lexington typically lives in a neighborhood of greater opportunity than an average African American or Latino resident, particularly in the areas of poverty, school proficiency, and labor market engagement. However, African Americans and Latinos tend to have greater opportunity associated with job access and public transit. Relative to Whites, Asians fared better on nearly all opportunity dimensions, but were mostly on par with one another. Of the five opportunity dimensions analyzed, access to job centers and exposure to environmental health hazards were not closely tied to one's race or ethnicity.

Comparing the top portion ("All Persons") to the bottom portion ("Persons in Poverty") of the table enables a comparison between the general population of Lexington and that portion of the population in poverty. Poverty status is not an equalizer. When comparing disparities among those in poverty, White/African American and White/Latino disparities improve, but continue to be significant. As in the prior analysis, poverty status combined with ethnicity has very limited impact on one's access to jobs, public transit, or exposure to health hazards. When poor, minority population segments including African Americans, Latinos, and Asians tended to have greater access to both jobs and public transit. Poor Asians generally lived in neighborhoods with lower poverty, better schools, greater labor market engagement, and lower exposure to environmental health hazards. Additionally, the average

---

<sup>25</sup> The analysis of access to opportunities includes data for Latinos, Non-Latino Whites, Non-Latino African Americans, and Non-Latino Asians. As in the segregation analysis, these groups are referred to as "Latinos," "Whites," "African Americans," and "Asians" for simplicity.

Asian resident living in poverty always resided in a better neighborhood than the average White resident in poverty.

Disparity in Access to Neighborhood Opportunity - All Persons in Lexington, Kentucky								
All Persons						Disparity		
Opportunity Dimension	All Persons	White Persons	African American Persons	Latino Persons	Asian Persons	White - African American	White - Latino	White - Asian
Poverty	53	57	39	41	64	18	16	-7
School Proficiency	72	76	59	57	83	17	19	-7
Labor Market Engagement	58	62	41	41	72	21	21	-10
Job Access	52	51	55	52	61	-4	-1	-10
Transit Access	29	26	38	45	21	-12	-19	5
Health Hazards Exposure	67	68	67	67	67	1	1	1
Counts	295,803	216,072	42,336	20,474	9,506			
Persons in Poverty						Disparity		
Opportunity Dimension	All Poor Persons	Poor White Persons	Poor African American Persons	Poor Latino Persons	Poor Asian Persons	Poor White - African American	Poor White - Latino	Poor White - Asian
Poverty	33	36	26	30	48	10	6	-12
School Proficiency	65	70	57	53	85	13	17	-15
Labor Market Engagement	43	48	38	33	52	10	15	-4
Job Access	57	58	58	49	68	0	9	-10
Transit Access	43	41	45	49	52	-4	-8	-11
Health Hazards Exposure	66	67	65	67	69	2	0	-2
Counts	48,094	27,783	11,095	6,104	1,400			

Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

The data from HUD includes a second comparison, this one between the general population of children in the region and those children living in poverty. In general, children in Lexington lived in neighborhoods with comparable opportunity levels to the population of adults and children combined. Within racial and ethnic groups, opportunity index measures were largely consistent with those of the group's general population. In other words, including a separate comparison of opportunity index measures for children does not substantially magnify or reduce the levels of disparity or access that have already been observed between racial and ethnic groups.

Disparity in Access to Neighborhood Opportunity - All Children in Lexington, Kentucky								
All Children						Disparity		
Opportunity Dimension	All Children	White Children	African American Children	Latino Children	Asian Children	White - African American Children	White - Latino Children	White - Asian Children
Poverty	55	61	38	40	70	23	21	-9
School Proficiency	72	77	60	55	85	17	22	-8
Labor Market Engagement	60	66	44	41	79	22	25	-13
Job Access	49	46	54	52	60	-8	-6	-14
Transit Access	26	20	38	46	12	-18	-26	8
Health Hazards Exposure	68	68	66	67	68	2	1	0
Counts	62,633	40,417	11,842	5,995	2,160			
Children in Poverty						Disparity		
Opportunity Dimension	All Poor Children	Poor White Children	Poor African American Children	Poor Latino Children	Poor Asian Children	Poor White - African American Children	Poor White - Latino Children	Poor White - Asian Children
Poverty	26	28	22	29	38	6	-1	-10
School Proficiency	58	59	59	53	86	0	6	-27
Labor Market Engagement	39	41	39	35	62	2	6	-21
Job Access	53	49	60	46	54	-11	3	-5
Transit Access	41	32	46	45	41	-14	-13	-9
Health Hazards Exposure	65	66	63	67	70	3	-1	-4
Counts	11,858	4,498	4,631	2,583	146			

Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

Overall, African American and Latino residents – adults and children – face substantial opportunity gaps relative to White residents. They are far more likely to live in neighborhoods with higher poverty, less labor market engagement, and lower school proficiency. These disparities impair the ability to afford stable and decent housing and can create cyclical and generational poverty patterns that inhibit equitable housing for future generations.

### Health Care Access and Status

Lexington is designated as a medically underserved area for primary care and mental health. Medically underserved areas (MUA) indicate areas in which the general population has limited access to primary health care. Decreased access to care can be due to residents residing in rural or remote locations or an overall shortage in primary health care physicians and workers in a certain area. However, designation as medically underserved encompasses a variety of factors. Specifically, MUAs are areas that have limited primary care providers,

high infant mortality, high poverty rates, and/or high older adult population. Lexington has a high poverty rate and a large percentage of elderly residents with disabilities, increasing the overall population who may experience difficulty accessing medical care.

Housing and health care access are related as housing conditions and housing problems can negatively impact health. Additionally, poor health increases risks associated with physical and mental health that can inhibit employment and wages, decreasing monies available for housing. Low-income and poor residents are particularly vulnerable in MUA regions due to inability to afford to travel for medical care or may have public health insurance that is not accepted by physicians and hospitals due to low reimbursement rates. Lowered access to primary care typically results in less routine and preventive care and higher individual and government health care costs. Medically underserved residents are at greater risk for both chronic disease and serious mental illness.

Chronic diseases are long-term, require consistent medical maintenance, and frequently result in impairments in functioning, i.e. disabilities. According to the Center for Disease Control, chronic diseases are the leading cause of disability and death in the United States (accounting for 70% of all deaths) and is a leading cause of premature death. Chronic diseases are also responsible for 75% of health care costs in the United States. Research associates chronic diseases with higher rates of absenteeism and lower productivity at work, higher rates of unemployment, and lowered rates of income and educational attainment.

According to the National Alliance on Mental Illness (NAMI), untreated mental illness can result in disability, unemployment, substance abuse, homelessness, and high rates of incarceration. In Lexington, according to the 2014 Overdose Fatality Report issued by the Justice and Public Safety Cabinet, drug induced deaths (overdoses) have increased for both the state of Kentucky and Fayette County over the past decade. The most commonly abused drugs in the County include prescription drugs and heroin. According to the local coroner, overdose deaths in Lexington have steadily increased since 2013. In 2013 there were 81 drug overdose deaths in Lexington compared to 108 deaths in 2014 and 137 deaths in 2015.

Untreated mental illness has staggering economic costs. NAMI estimates that untreated mental illness results in an annual cost of \$100 billion per year in the United States. Experiences with mental illness can also negatively impact health, making it difficult for those with mental illness to participate in preventive, routine, and health promoting behaviors. Additionally, having a chronic disease can also trigger serious mental illness, like major depression or anxiety disorders. Finally, Lexington has high rate of childhood and adolescent poverty as discussed earlier in this section. High and persistent rates of childhood poverty are the leading cause post-traumatic stress disorder, an SMI.

Lexington has high rates of uninsured residents. In 2014, according to the American Community Survey, 18.1% of residents aged 18 and older were uninsured, while 5.3% of

children under the age of 18 were uninsured. Residents who have not graduated high school are most likely to be uninsured (36.1%). (33%). Hispanic and Latinos are the ethnic group with the highest uninsured rate (43.7%). Other racial and ethnic minority groups also had high rates of uninsured including: Native Americans (25.8%) and African Americans (15.8%). Residents with annual incomes below \$25,000 had the highest rate of uninsured persons (21.0%) compared to other income groups.

# Land Use and Zoning

---

Comprehensive land use planning is a critical process by which communities address a myriad of public policy issues such as housing, transportation, health, recreation, environmental protection, commercial and retail services, and land values, and address how the interconnection and complexity of these issues can ultimately impact the entire municipality. “The land use decisions made by a community shape its very character – what it’s like to walk through, what it’s like to drive through, who lives in it, what kinds of jobs and businesses exist in it, how well the natural environment survives, and whether the community is an attractive one or an ugly one.”<sup>26</sup> Likewise, decisions regarding land use and zoning have a direct and profound impact on affordable housing and fair housing choice, shaping a community or region’s potential diversity, growth, and opportunity for all. Zoning determines where housing can be built, the type of housing that is allowed, and the amount and density of housing that can be provided. Zoning also can directly or indirectly affect the cost of developing housing, making it harder or easier to accommodate affordable housing.

The following sections will explore (I) how Kentucky state law impacts local land use and zoning authority and decision-making and (II) how the zoning and land use codes of the Lexington-Fayette Urban County Government (LFUCG) impact housing affordability and fair housing choice.

## Kentucky State Zoning and Land Use Laws

From a regulatory standpoint, local government measures to control land use typically rely upon zoning codes, subdivision codes, and housing and building codes, in conjunction with comprehensive plans. Courts have long recognized the power of local governments to control land use. Chapter 100 of the Kentucky Revised Statutes authorizes, but does not require, all cities and counties to regulate land use and zoning within their respective jurisdictions. (*See* KRS CH. 100 PLANNING AND ZONING; KRS § 100.203). The state encourages a multi-jurisdictional or regional approach to land use planning by requiring that before a city or county establishes an independent planning unit, it must affirmatively seek to include all other cities within the respective county in a joint planning unit. (*See* KRS 100.117). Lexington’s planning unit includes all of the territory in Fayette County. The area of jurisdiction of the Planning Commission also includes all of Fayette County.

Where a local planning commission is established to regulate land use and zoning, state law requires that the planning commission prepare a comprehensive plan, which serves as a

---

<sup>26</sup> John M. Levy. *Contemporary Urban Planning, Eighth Edition*. Upper Saddle River, NJ: Pearson Prentice Hall, 2009.

guide for the public and private development within the local planning unit. The land use plan element must show proposals for “the most appropriate, economic, desirable, and feasible patterns for the general location, character, extent, and interrelationship of the manner in which the community should use its public and private land at specified times as far into the future as is reasonable to foresee.” (KRS 100.187). A housing plan element may be included, but is not a required part of a comprehensive plan.

### ***Lexington-Fayette Urban County Government zoning authority***

As of January 1, 2015, Kentucky’s historic six classes of cities and the various powers, duties, and responsibilities of these classes were revised to two classes of cities: cities of the first class and home rule cities. LFUCG is classified as a home rule county (HB 331, 2014), and as such given broad local authority to function and legislate over residents in any way that does not directly conflict with state or federal law, including land use and zoning power.

In the Lexington-Fayette joint planning unit, the responsibility for administering the local zoning ordinance and comprehensive plan is divided between the Division of Planning, the Planning Commission, the Board of Adjustment, and the Urban County Council. Permitted uses are those allowed as a matter of right in a zoning district and may be authorized by the Division of Planning with a simple permit. The Division of Planning also is charged with issuing various other permits and enforcing the zoning ordinance’s regulations. The responsibility for implementing the local zoning code and comprehensive plan is given to the Lexington-Fayette Planning Commission. The Planning Commission makes recommendations to the Urban County Council for final decision regarding amendments or revisions to zoning ordinances and the zoning map, regarding amendments or revisions to the subdivision regulations, and regarding updates or revisions to the comprehensive plan. The Urban County Council may grant text and map amendments with conditions or restrictions. The Urban County Government Board of Adjustment has the authority to hear and decide appeals regarding nonconforming uses and regarding decisions by the Division of Planning and Division of Building Inspecting. For a use not expressly permitted by right, a property owner may seek special approval from the Board of Adjustment through the conditional use or variance processes.

One purpose of the zoning ordinance is to implement the adopted Comprehensive Plan. Indeed, Lexington’s zoning ordinance requires that its Comprehensive Plan be used to determine the location and density (units/acre) of single family residential zones. Moreover, before any rezoning can be approved, the planning commission (or the legislative body) must find that the map amendment is in agreement with the adopted Comprehensive Plan. If the amendment is not consistent with the current Comprehensive Plan, the change may be approved only upon a finding that either (1) the existing zoning classification given to the property is inappropriate and that the proposed zoning classification is appropriate or (2)

there have been major changes of an economic, physical, or social nature within the area involved which were not anticipated in the adopted comprehensive plan and which have substantially altered the basic character of such area. (KRS 100.213). Although the Comprehensive Plan does not have binding legal effect, it should influence LFUCG's decision-making as to whether to grant or deny a zoning proposal, development plan, or variance.

### ***Intersection of Local Zoning with Federal and State Fair Housing Laws***

One goal of zoning is to balance individual property rights with the power of government to promote and protect the health, safety, and general welfare of the overall community. Zoning codes regulate how a parcel of land in a community may be used and the density of development. Local governments may divide their jurisdiction into zoning districts by adopting a zoning map consistent with the comprehensive plan; define categories of permitted and special/conditional uses for those districts; and establish design or performance standards for those uses. Zoning may regulate the height, shape, and placement of structures and lot sizes or shapes. Jurisdictions also can expressly prohibit certain types of uses within zoning districts. In this way, local ordinances may define the type and density of housing resources available to residents, developers and other organizations within certain areas, and as a result influence the availability and affordability of housing.

While local governments have the power to enact zoning and land use regulations, that power is limited by state and federal fair housing laws (e.g., the KFHA, the federal FHA, the Americans with Disabilities Act, constitutional due process and equal protection) which apply not only to private individuals but also to government actions. *See* H.R. Rep. No. 100-711, at 24 (1988), reprinted in 1988 U.S.C. C.A.N. 2173, 2185 (showing that Congress' intent was that the amendments "would also apply to state or local land use and health and safety laws, regulations, practices or decisions which discriminate against individuals with handicaps"). In a recent landmark disparate impact case under the FHA, the Supreme Court affirmed that part of the FHA's central purpose is to eradicate discriminatory housing practices, including specifically unlawful zoning laws and other housing restrictions. *Tex. Dep't of Hous. & Cmty. Affairs v. Inclusive Cmty. Project, Inc.*, 135 S.Ct. 2507, 2521-2522 (2015). (citing multiple published court opinions involving challenges to local zoning and land use decisions and stating, "Suits targeting such practices reside at the heartland of disparate-impact liability.") Besides intentional discrimination and disparate treatment, discrimination under the FHA also includes

[A] refusal to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling. FHA § 804(f)(3)(b).

This provision has been held to apply to zoning and land use decisions by local governments. *See, e.g., Hovsons, Inc. v. Township of Brick*, 89 F.3d 1096, 1104 (3d Cir. 1996) (finding that the reasonable accommodation requirement of the FHA mandates that officials "change, waive, or make exceptions in their zoning rules to afford people with disabilities the same opportunity to housing as those who are without disabilities").

The Kentucky Fair Housing Act (KRS § 344.360 *et seq.*; 344.600—344.680) is substantially similar to the federal FHA. As with the FHA, the KFHA identifies unlawful housing practices and protects against discrimination based on race, color, religion, sex, familial status, national origin, or disability.

When a housing discrimination complaint is filed with the Kentucky Commission on Human Right (KCHR) and the Commission determines that the matter involves the legality of any state or local zoning or other land use law or ordinance, the KCHR will not conduct an administrative hearing, but rather the commission or State Attorney General may file a civil action in Circuit Court for appropriate relief within 18 months of the occurrence or termination of the alleged discriminatory practice. (*See* KRS 344.665).

If an individual feels that his/her rights under the FHA or state fair housing act have been violated in a final land use or zoning decision, he or she may file a complaint with HUD or the KCHR, or file a lawsuit directly in state or federal court within the statute of limitations period.

Fair housing laws do not preempt local zoning laws, but do apply to municipalities and local government units and prohibit them from making zoning or land use decisions or implementing land use policies that exclude or otherwise discriminate against protected persons. And even where a specific zoning decision does not violate a fair housing law, HUD entitlement communities must certify annually that they will set and implement standards and policies that protect and advance fair housing choice for all.

## Zoning Code Analysis

Although comprehensive plans and zoning and land use codes play an important role in regulating the health and safety of the structural environment, overly restrictive codes can negatively impact housing affordability and fair housing choice within a jurisdiction. Examples of zoning provisions that most commonly result in barriers to fair housing choice include:

- Restrictive forms of land use that exclude any specific form of housing, particularly multi-family housing, or that require large lot sizes or low-density that deter affordable housing development by limiting its economic feasibility;
- Restrictive definitions of family that impede unrelated individuals from sharing a dwelling unit;
- Placing administrative and siting constraints on group homes for persons with disabilities;
- Restrictions making it difficult for residents with disabilities to locate housing in certain neighborhoods or to modify their housing;
- Restrictions on occupancy of alternative sources of affordable housing such as accessory dwellings, mobile homes, and mixed-use structures.

Lexington’s treatment of these types of issues is explored and evaluated in the table and narrative below.

LFUCG regulates land development activities through their shared Comprehensive Plan, zoning ordinances, building code, and subdivision regulations. Zoning and design standard decisions should be informed by and consistent with the long-range comprehensive plan as it is amended and updated.

Because zoning codes present a crucial area of analysis for a study of impediments to fair housing choice, the latest available Zoning Ordinance of the Lexington-Fayette Urban County Government was reviewed and evaluated against a list of ten common fair housing issues. The zoning ordinance was assigned a risk score of either 1, 2, or 3 for each of the ten issues and was then given an aggregate score calculated by averaging the individual scores, with the possible scores defined as follows:

1 = low risk – the provision poses little risk for discrimination or limitation of fair housing choice;

2 = medium risk – the provision is neither among the most permissive nor most restrictive; while it could complicate fair housing choice, its effect is not likely to be widespread;

3 = high risk – the provision causes or has potential to result in systematic and widespread housing discrimination or the limitation of fair housing choice.

The following chart lists the 10 issues reviewed and Lexington’s score for each issue. A complete report, including citations to relevant statutes, code sections, and explanatory comments, is included as an appendix to this document.

**Zoning Code Risk Scores**

<b>ISSUE</b>	<b>RISK SCORE</b>
<p>1a. Does the jurisdiction’s definition of “family” have the effect of preventing unrelated individuals from sharing the same residence? Is the definition unreasonably restrictive?</p> <p>1b. Does the definition of “family” discriminate against or treat differently unrelated individuals with disabilities (or members of any other protected class)?</p>	1
<p>2a. Does the zoning code treat housing for individuals with disabilities (e.g. group homes, congregate living homes, supportive services housing, personal care homes, etc.) differently from other single family residential and multifamily residential uses? For example, is such housing only allowed in certain residential districts, must a special or conditional use permit be granted before siting such housing in certain residential districts, etc.?</p> <p>2b. Does the zoning ordinance unreasonably restrict housing opportunities for individuals with disabilities who require onsite supportive services? Or is housing for individuals with disabilities allowed in the same manner as other housing in residential districts?</p>	2
<p>3a. Do the jurisdiction’s policies, regulations, and/or zoning ordinances provide a process for persons with disabilities to seek reasonable modifications or reasonable accommodations to zoning, land use, or other regulatory requirements?</p> <p>3b. Does the jurisdiction require a public hearing to obtain public input for specific exceptions to zoning and land-use rules for applicants with disabilities? If so, is the public hearing process only required for applicants seeking housing for persons with disabilities or required for all applicants?</p>	2
<p>4a. Does the jurisdiction restrict any inherently residential uses protected by fair housing laws (such as residential substance abuse treatment facilities) only to non-residential zones?</p> <p>4b. Does the ordinance impose spacing or dispersion requirements on certain protected housing types?</p>	2
<p>5. Does the jurisdiction’s zoning and land use rules constitute exclusionary zoning that precludes development of affordable or low-income housing by imposing unreasonable residential design regulations (such as high minimum lot sizes, wide street frontages, large setbacks, low FARs, large minimum building square footage, and/or low maximum building heights)?</p>	1
<p>6a. Does the zoning ordinance fail to provide residential districts where multi-family housing is permitted as of right?</p> <p>6b. Do multi-family districts restrict development only to low-density housing types?</p>	1

7. Are unreasonable restrictions placed on the construction, rental, or occupancy of alternative types of affordable or low-income housing (for example, accessory dwellings or mobile/manufactured homes)?	1
8a. Are the jurisdiction’s design and construction requirements (as contained in the zoning ordinance or building code) congruent with the Fair Housing Amendments Act’s accessibility standards for design and construction? 8b. Is there any provision for monitoring compliance?	1
9. Does the zoning ordinance include an inclusionary zoning provision or provide any incentives for the development of affordable housing or housing for protected classes?	1
10. Does the jurisdiction’s zoning ordinance (or other code of ordinances) in any other way affirmatively further fair housing? For example, does the code include a discussion of fair housing, has the jurisdiction expanded fair housing rights to additional protected classes, does the jurisdiction support a local fair housing monitoring/advocacy organization or commission, etc.?	1
<b>Average Risk Score</b>	<b>1.3</b>

Lexington total risk score (calculated by taking the average of the 10 individual issue scores) is **1.3**, indicating that overall there is low risk of the zoning regulations contributing to discriminatory housing treatment or impeding fair housing choice. In most cases, the zoning and other land use ordinances are reasonably permissive and allow for flexibility as to the most common fair housing issues. Remarkably, Lexington did not receive a “3” (high risk) score on any of the ten issues evaluated. However, it received a “2” (medium risk) score on certain issues where the zoning regulations still have the potential to negatively impact fair and affordable housing. It also means the local government could be subject to fair housing complaints and expensive litigation. In such cases, improvements to the rules and policies could be made to more fully protect the fair housing rights of all of Lexington residents and to better fulfill the mandate to affirmatively further fair housing.

Our research has shown that restricting housing choice for certain historically/socio-economically disadvantaged groups and protected classes can happen in any number of ways and should be viewed on a continuum. The zoning analysis matrix developed for this report and the narrative below are not designed to assert whether local land development codes create a per se violation of the FHA or HUD regulations, but are meant as a tool to highlight significant areas where zoning and land use ordinances may otherwise jeopardize

the spirit and intent of fair housing protections and HUD’s AFFH standards for its entitlement communities.

The following discussion highlights some of the strengths of the zoning and land use ordinances in terms of how these regulations protect fair housing choice, and also points out key recommendations which illustrate concrete actions the joint planning unit could make in terms of zoning and land use regulations to uphold the commitment to furthering fair housing. The issues chosen for discussion show where zoning ordinances and policies could go further to protect fair housing choice for protected and disadvantaged classes, and still fulfill the zoning objective of protecting the public’s health, safety, and general welfare.

## **Strengths**

### ***Definition of “family” (Issue #1)***

Often one of the most scrutinized provisions of a municipality’s zoning code is its definition of “family.” Local governments use this provision to limit the number of unrelated persons who may live together in a single dwelling. Unreasonably restrictive definitions may have the intended or unintended (depending on the motivations behind the drafting of the jurisdiction’s definition) consequence of limiting housing for nontraditional families and for persons with disabilities who reside together in congregate living situations.

Lexington’s zoning code defines family/housekeeping unit as:

A person living alone, or any of the following groups living together and sharing common living and kitchen facilities: (a) Any number of persons related by blood, marriage, adoption, guardianship, or other duly authorized custodial relationship; (b) Four (4) or fewer unrelated persons; (c) Two (2) unrelated persons and any children related to either of them or under their care through a duly authorized custodial relationship; (d) Not more than eight (8) persons who are: 1. Residents of a “home-like” residence, as defined in KRS 216B.450 [regulations regarding a “psychiatric residential treatment facility”]; 2. “Handicapped” as defined in the Fair Housing Act, 42 U.S.C., Section 3602(h). This definition does not include those currently illegally using or addicted to a “controlled substance” as defined in the Controlled Substances Act, 21 U.S.C., Section 802(6). (e) Not more than six (6) unrelated individuals when in compliance with the provisions of the definitions of “dwelling, single family” or “dwelling, two-family,” as contained in this Article [i.e. established up to five years prior to July 1, 2010]; (f) A functional family as defined and regulated.

The zoning code defines a “functional family” as:

A group of five (5) or more persons, not otherwise meeting the definition of “family,” who desire to live as a stable and permanent single housekeeping unit and who have received a conditional use permit from the Board of Adjustment.

Lexington’s approach allows for non-traditional family arrangements and is more permissive in terms of its treatment of unrelated persons with disabilities residing together. For families or housekeeping units that do not meet the code’s definition of family, the ordinance allows for a case-by-case approach to determining whether the group is a functionally equivalent family through the conditional use permit process. This fact-specific method of review is in line with recent court decisions on the issue. Accordingly, the jurisdiction received a low risk “1” score on Issue #1.

### ***Residential zoning standards and multifamily housing (Issue #5 and #6)***

Zoning codes which impose unreasonable residential design regulations (such as high minimum lot sizes, large minimum building square footage, and/or low maximum density allowances) that are not congruent with the actual standards necessary to protect the health and safety of current average household sizes and prevent overcrowding, may not be in direct violation of fair housing laws but may nonetheless contribute to exclusionary zoning and have the effect of disproportionately reducing housing choice for moderate to low-income families, minorities, persons with disabilities on fixed incomes, families with children, and other protected classes by making the development of affordable housing cost prohibitive.

LFUCG’s design standards, density allowances, and housing-type diversity, do not appear facially exclusionary. While the zoning ordinance may impact the feasibility of developing affordable housing within some single family districts, the code provides for lot sizes and densities that could accommodate affordable housing somewhere within the residential districts. The zoning ordinance and map divide the primarily residential zones (excluding the agricultural zones) into ten zoning districts. Minimum lot sizes for single family dwellings range from 1 acre (in the R-1(A) district) to 4,000 sq. ft. (in the R-1(E) district, which also permits zero lot line plans and patio homes). For special Infill and Redevelopment zones, minimum lot sizes for single family dwellings can go as low as 2,000 sq. ft. per unit. Where townhouses are permitted in the R-IT, R-3, and R-4 zoning districts, up to 12 units may be developed with 1,500 sq. ft. per unit minimum lot sizes. In the EAR zones, densities range from 3 u/a up to 24 u/a.

Multifamily housing is permitted by right in three primarily residential zones (R-3, R-4, R-5) and in the mixed use EAR-1, EAR-2, and EAR-3 zones. Accordingly, Lexington scored a “1”

on Issue #6 for lowering the barrier to development of multifamily housing by including zoning districts where these units are permitted without the added cost and time of having to obtain conditional or other special use permit approval. Two-family units and townhouses also are permitted in these zones. Density allowances for multifamily housing range from 6,000 sq. ft. minimum lots sizes per unit (approximately 5 u/a, which is typically a low density allowance for multifamily) in the R-3, R-4, and R-5 zones, to 6-9 u/a in the EAR-2 zone, and up to 18-25 u/a in the EAR-3 zone, which is typically a moderate to high density level depending on the housing needs of the community and region. Where permitted, attached townhouses (up to 12) may be developed up to approximately 29 u/a. Higher densities may be permitted where deed restricted affordable housing units are included in the multi-family development.

Other considerations like housing prices and rents, availability of land, market conditions, existing land-use patterns, the provision of public services and infrastructure, and other planning goals also have an impact on the quantity of multifamily and affordable housing. The Zoning Map was not reviewed to determine the scale of the residential areas actually allowing multi-family housing at these densities. Therefore, Issue #6 does not determine whether the zoning ordinance's density limitations actually allow for the development of enough affordable housing within Lexington to meet the need for it.

### ***Inclusionary zoning (Issue#9)***

In several important ways, Lexington's zoning regulations go beyond just meeting the minimum FHA standards to affirmatively further and protect fair and affordable housing. For example, Lexington received a "1" score on issue 9 regarding whether the jurisdiction's code provides for inclusionary zoning or incentives for the development of affordable housing. Developments that qualify as "mixed-income housing" may receive additional density, parking reductions, or additional floor area. Importantly, mixed-income housing units" must be restricted by the developer exclusively to mixed-income housing for a minimum period of 5 years, are subject to a deed restriction in favor of the local government, and must establish monitoring procedures to ensure that the units remain affordable during the five year period. The zoning ordinance also provides incentives for the development of "affordable housing units" in the Expansion Area (EA) zoning districts. Developments that qualify as affordable housing units in the EA zones are eligible for a reduced exaction. These units must be restricted by the developer exclusively to affordable housing for a minimum period of 15 years, subject to a deed restriction in favor of the Urban County Government, and must establish monitoring procedures to ensure that the units remain affordable during the period.

The Division of Planning has been working on a series of “Infill and Redevelopment” zoning ordinance text amendments since 2007 aimed at, among other goals, increasing urban density and encouraging the development and availability of low-income housing and moderate-income housing. (See Recommended Zoning Ordinance Text Amendments, available at <http://www.lexingtonky.gov/index.aspx?page=343>; and Infill & Redevelopment Steering Committee: Recommendations, March 27, 2008, available at, <http://www.lexingtonky.gov/Modules/ShowDocument.aspx?documentid=12380>.)

If adopted by LFUCG, these text amendments would create mixed-income housing incentives in additional zoning districts, create FAR bonuses in the P-1 and B-1 zones, and add accessory dwelling units as uses in additional zoning districts. It is recommended that the LFUCG put these recommendations by the planning division back on the table and pursue zoning ordinance text amendments that could directly and indirectly incentivize and reduce land and development costs of affordable housing.

While the foregoing is a picture of LFUCG’s strengths in terms of how its codes and policies protects fair housing choice, the following recommendations illustrate concrete actions Lexington could make in terms of zoning and land use regulations to protect fair housing choice for protected and disadvantaged classes and uphold the jurisdiction’s commitment to furthering fair housing.

## **Opportunities for Improvement**

### ***Housing for persons with disabilities (Issue #2)***

Housing for persons with disabilities who meet the zoning ordinance’s definition of family is allowed in the same manner as other housing in residential districts. However, the zoning ordinance separately regulates housing that meets the definition of a “community residence,” which is housing for up to eight persons who because of physical or mental needs must reside **temporarily** in a supervised home, and treats differently this type of transitional housing for persons with disabilities. Although the zoning ordinance does not clarify the length of stay that qualifies as temporary versus permanent, this type of housing is permitted only by right in the R-3, R-4, and EAR zones.

The FHA only applies to covered “dwellings”, but what constitutes a dwelling is not well-defined. HUD has stated that a resident’s length of stay is only one factor to be considered in determining whether a particular building is a “dwelling” covered by the FHA (See 65 Fed. Reg. 15,740, 15,746 (March 23, 2000)). Courts that have addressed the issue have found that the definition of “dwelling” can include temporary housing and is not limited to permanent housing. See, e.g., *Lakeside Resort Enters., LP v. Bd. of Supervisors*, 455 F.3d 154 (3d Cir. 2006)

(finding that a drug rehabilitation center is a dwelling within the Act's scope); *United States v. Hughes Mem'l Home*, 396 F. Supp. 544, 549 (W.D. Va. 1975) (determining the scope of the FHA's term dwelling as "a temporary or permanent dwelling place, abode or habitation to which one intends to return as distinguished from the place of temporary sojourn or transient visit"); *Larkin v. Mich. Dep't of Soc. Servs.*, 89 F.3d 285, 287 (6th Cir. 1996) (involving a challenge to adult foster care licensing requirements and stating, "It is well-settled that the FHAA applies to the regulation of group homes.").

Because Lexington's zoning ordinance could make some housing for persons with disabilities who require onsite supportive services vulnerable to being excluded from certain residential zoning districts if the local zoning authority chose to treat the housing as a community residence of a temporary nature, the jurisdiction received a "2" (medium risk) score on Issue #2.

It is recommended that the zoning ordinance be amended to clarify what qualifies as temporary as opposed to permanent housing for persons with disabilities and to distinguish this type of housing from dwellings which are protected by the FHA, or else do away with the differing treatment of community residences which otherwise meet the code's definition of family/housekeeping unit or functional family.

### ***Reasonable Accommodation Ordinance (Issue #3)***

Another area for improvement would be for LFUCG to adopt a reasonable accommodation ordinance which sets out specific guidelines for residents with disabilities who need to make a request for reasonable accommodation/modification (Issue #3). Federal and state fair housing laws require that municipalities provide individuals with disabilities or developers of housing for people with disabilities flexibility in the application of land use and zoning and building regulations, practices and procedures or even waiving certain requirements, when it is reasonable and necessary to eliminate barriers to housing opportunities, or "to afford persons with a disability the equal opportunity to use and enjoy a dwelling." (The requirements for reasonable accommodation under the Americans with Disabilities Act (ADA) are the same as those under the FHA. *42 U.S.C. 12131(2)*.) However, the FHA does not set forth a specific process that must be used to request, review, and decide a reasonable accommodation, and the zoning ordinance fails to provide a clear and objective process by which persons with disabilities may request a reasonable accommodation to zoning, land use, and other regulatory requirements.

Often local municipalities handle the mandate to provide a reasonable accommodation through their variance or conditional use permit procedures. However, the purpose of a variance is not congruent with the purpose of requesting a reasonable accommodation. To obtain a variance or special permit, an applicant must show special circumstances or

conditions applying to the land and not self-imposed or owing to the applicant. In contrast, a reasonable accommodation is to allow individuals with disabilities equal access to use and enjoy housing. The jurisdiction does not comply with its duty to provide reasonable accommodation if it applies a standard based on the physical characteristics of the property rather than considering the need for modification based on the disabilities of the residents of the housing. Whereas simple administrative procedures may be adequate for the granting of exceptions, the variance and conditional use permit procedures subject the applicant to the public hearing process where there is the potential that community opposition based on stereotypical assumptions about people with disabilities and unfounded speculations about the impact on neighborhoods or threats to safety may impact the outcome. As a recipient of federal housing funds, LFCUG is encouraged to adopt a reasonable accommodation ordinance as part of its human rights/fair housing ordinance.

Model ordinances are available that have been approved by HUD or the DOJ as part of fair housing settlement or conciliation agreements. These model ordinances include a standardized process so that there is transparency and equality in how requests are treated, and gives the director of planning or zoning administrator, or her designee, the authority to grant or deny reasonable accommodation requests without the applicant having to submit to a public hearing process. Adopting a reasonable accommodation ordinance is one specific way to address barriers in land use and zoning procedures and would help LFCUG more fully comply with the intent and purpose of fair housing laws.

#### ***Residential substance abuse facilities and spacing/dispersion requirements (Issue #4)***

The zoning ordinance limits where “rehabilitation homes”—defined as supervised housing for persons recovering from drug/alcohol abuse or psychiatric disorders—may be sited and imposes spacing/dispersion requirements on such uses. A rehabilitation home is a conditional use in the agricultural zones, the Expansion Area EAR-2 and EAR-3 zones, and the R-3 and R-4 residential zones. In the R-3 and R-4 districts, rehabilitation homes may not be less than 500 feet from another similar use without Board approval. Rehabilitation homes are a permitted use in the P-1 zones when more than 500 ft. from a residential zone (otherwise a conditional use), and in the neighborhood business zones B-1, B-2, and B-6P when more than 500 ft. from a residential zone, school, or childcare facility (otherwise a conditional use).

The ordinance states that the definition of a rehabilitation home does not apply to uses regulated by KRS 100.982 (i.e. persons with a disability). The FHA and Kentucky’s FHA exclude from the definition of “handicapped,” persons currently illegally using or addicted to a controlled substance. However, the state’s definition of handicap/disability also excludes persons with “***past*** controlled substance abuse or alcohol abuse problems.”

Although mere status as a person with a drug/alcohol addiction is not enough to trigger federal law protections, most courts considering the issue, and HUD agrees, that persons recovering from drug/alcohol dependence (not current users of illegal substances) may be disabled and entitled to the FHA's protections. The Sixth Circuit Court of Appeals has held that where drug/alcohol addiction substantially limits a major life activity (e.g. working, parenting, functioning socially, etc.), it could qualify someone as disabled and entitled to protection. *See Mx Group, Inc. v. County of Covington*, 293 F.3d 326 (6th Cir. 2002) (reviewing claims brought under ADA and Rehabilitation Act); 24 CFR 100.201(a)(2) (Federal regulations related to HUD) defining handicap to specifically include "drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism."

Under federal law (e.g. FHA, ADA, Rehabilitation Act), where drug/alcohol dependence qualifies as a disability, it is discriminatory to deny an individual or entity the right to site a residential treatment program in a residential zone because it will serve individuals with alcohol or other drug problems or mental health disabilities. If it could be shown that a home classified by LFUCG as a "rehabilitation home" was in fact a residence for persons with disabilities, then the FHA would apply and the zoning restrictions and spacing requirements could be legitimately challenged.

The spacing requirements limit the overall aggregate capacity of housing for persons with disabilities related to substance abuse or psychiatric disabilities even if the need in the community or region is greater than the restrictive spacing requirements permit. Even if Lexington's restrictions are not facially invalid, a refusal to make a reasonable accommodation could be found to be unlawfully discriminatory if LFUCG could not offer sufficient justification or a lesser restrictive alternative. A valid government justification may be that over-concentration of rehab facilities would be inconsistent with the objective of integrating persons with disabilities into the community. However, this should never justify separations which have the effect of foreclosing entire neighborhoods to group housing for persons with disabilities.

Because there is some inconsistency between the FHA and Kentucky's FHA and some ambiguity regarding how residential treatment facilities may be treated in Lexington, LFUCG received a "2" on this issue

## Mortgage Lending Analysis

---

Homeownership is vital to a community's economic well-being. To live up to the requirements of fair housing law, all persons must have the ability to live where they want and can afford. Prospective homebuyers need access to mortgage credit, and programs that offer homeownership should be available without discrimination. The task in this Home Mortgage Disclosure Act (HMDA) analysis is to determine the degree to which the housing needs of Lexington residents are being met by home loan lenders.

The Home Mortgage Disclosure Act of 1975 (HMDA) requires most mortgage lending institutions to disclose detailed information about their home-lending activities annually. The objectives of the HMDA include ensuring that borrowers and loan applicants are receiving fair treatment in the home loan market.

The national 2013 HMDA data consists of information for 17.0 million home loan applications reported by 7,190 home lenders, including banks, savings associations, credit unions, and mortgage companies.<sup>27</sup> HMDA data, which is provided by the Federal Financial Institutions Examination Council (FFIEC), includes the type, purpose, and characteristics of each home mortgage application that lenders receive during the calendar year. It also includes additional data related to those applications including loan pricing information, action taken, property location (by census tract), and additional information about loan applicants including sex, race, ethnicity, and income.

The source for this analysis is tract-level HMDA data for Lexington census tracts for the years 2010-2014, which includes a total of 19,948 home purchase loan application records.<sup>28</sup> Within each HMDA record some of the data variables are 100% reported: "Loan Type," "Loan Amount," "Action Taken," for example, but other data fields are less complete. According to the HMDA data, these records represent applications taken entirely by mail, Internet, or phone in which the applicant declined to identify their sex, race, and/or ethnicity.

Missing race, ethnicity, and sex data are potentially problematic for an assessment of discrimination. If the missing data are non-random there may be adverse impacts on the accuracy of the analysis. Ideally, any missing data for a specific data variable would affect a small proportion of the total number of loan records and therefore would have only a minimal effect on the analytical results.

---

<sup>27</sup> Federal Financial Institutions Examination Council, "Home Mortgage Disclosure Act: Background and Purpose," <http://www.ffiec.gov/hmda/history.htm>

<sup>28</sup> Includes mortgage applications for the purchase of one-to-four family dwellings in which the property will be occupied as the owner's principal dwelling and in which the mortgage will be secured by a first lien. Includes applications for conventional, FHA-insured, VA-guaranteed, and FSA/RHS-guaranteed mortgages.

There is no requirement for reporting reasons for a loan denial, and this information was not provided for approximately 15% of loan denials in the LFUCG region. Further, the HMDA data does not include a borrower's total financial qualifications such as an actual credit score, property type and value, loan-to-value ratio or loan product choices. Research has shown that differences in denial rates among racial or ethnic groups can arise from these credit-related factors not available in the HMDA data.<sup>29</sup> Despite these limitations, the HMDA data play an important role in fair lending enforcement. Bank examiners frequently use HMDA data in conjunction with information from loan files to assess an institution's compliance with the fair lending laws.

### Loan Approvals and Denials by Applicant Sex

The 2010-2014 HMDA data for Lexington includes information about applicant sex and household income for over 19,000 total loan application records. Slightly more than one-third of applications (36.4%) were by male applicants, and the remainder consisted of female applicants (28.4% of the total) and male/female co-applicants (35.0%). The table on the following page presents a snapshot of loan approval rates and denial rates for low, moderate, and upper income applicants by sex.<sup>30</sup>

Regardless of sex, loan approval rates were lowest and denial rates highest for low- income applicants. Within that category, female applicants had the highest approval rate at 77.1%, exceeding the rate of 73.8% for male applicants, and far exceeding the rate of 71.5% for male/female co-applicants. Male/female co-applicants had a relatively small number of applications in this category (200 completed applications), reflecting their greater likelihood of being dual income households and thus having incomes above 50% of the area's median.

In the moderate-income bracket, females and co-applicants had the highest approval rates (88.6% and 88.7% respectively), compared to 84.9% for male applicants. Male/female co-applicants had the highest approval rates in the high- income bracket (93.0%) Approval rates for males lagged by 5.0 percentage points in the high-income bracket compared to co-applicants. At the moderate- income level, approval rates for male applicants were 3.7 percentage points below those for female applicants. Overall as incomes rose the disparities in approval ratings decreased to smaller percentages across gender applicant groups.

Overall, male applicants were denied loans in 16.0% of cases, compared to 13.7% for female applicants and 9.4% for male/female co- applicants. While these figures suggest a significant

---

<sup>29</sup> R. B. Avery, Bhutta N., Brevoort K.P., and Canne, G.B. 2012. "The Mortgage Market in 2011: Highlights from the Data Reported Under the Home Mortgage Disclosure Act." Board of Governors of the Federal Reserve System. Federal Reserve Bulletin, Vol. 98, No. 6.

<sup>30</sup> The low- income category includes applicants with a household income below 50% of area median family income (MFI). The moderate income range includes applicants with household incomes from 50% to 120% MFI, and the upper income category consists of applicants with household incomes above 120% MFI.

disparity in access to loans based on applicant sex, it is not possible to tell from this data whether this difference is due to financial reasons, social discrimination, or a combination of the two.

<b>Loan Approval and Denial Rates by Sex in Lexington, Kentucky, 2010-2014</b>				
<b>Applicant Income</b>	<b>Female Applicant(s)</b>	<b>Male Applicant(s)</b>	<b>Male/Female Co-Applicants</b>	<b>All Applicants</b>
<b>Low Income</b>				
Total Applications	1,331	1,186	220	2,737
Completed Applications	1,079	939	200	2,218
Approval Rate	77.1%	73.8%	71.5%	75.2%
Denial Rate	22.9%	26.2%	28.5%	24.8%
<b>Moderate Income</b>				
Total Applications	3,442	4,010	2,685	10,137
Completed Applications	2,863	3,341	2,407	8,611
Approval Rate	88.6%	84.9%	88.7%	87.2%
Denial Rate	11.4%	15.1%	11.3%	12.8%
<b>High Income</b>				
Total Applications	887	2,070	4,117	7,074
Completed Applications	721	1,590	3,647	5,958
Approval Rate	90.6%	88.0%	93.0%	91.4%
Denial Rate	9.4%	12.0%	7.0%	8.6%
<b>Total</b>				
Total Applications	5,660	7,266	7,022	19,948
Completed Applications	4,663	5,870	6,254	16,787
Approval Rate	86.3%	84.0%	90.6%	87.1%
Denial Rate	13.7%	16.0%	9.4%	12.9%

Note: Includes applications with a single male or female applicant and applications with male/ male or female/female co-applicants.

Source: FFIEC 2010 to 2014 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

Under the provisions of the HMDA, reporting institutions may choose to report the reasons they deny loans, although there is no requirement to do so. Of the 2,195 loan denials examined here, reasons are provided in approximately 85.0% of total cases; reporting rates by applicant sex range from 86.1% for males to 86.1% for male/female co-applicants and 84.7% for female applicants.

The table that follows breaks down the reasons for loan denials by sex. For each applicant group, the four most common denial reasons were: credit history, debt-to-income ratio, credit history, incomplete credit application, and collateral. Over one-third of female and male applicants were denied loans based on credit history and more than 1 in 5 male/female co-applicants (20.8% of male/female co-applicants, 35.4% of male applicants, and 36.7% of female applicants). For female applicants, debt to income ratio was cited in 14.1% of denials and insufficient collateral in 12.2%. Collateral was the third or fourth most common issue for both male and female applicants, triggering 12.2% and 9.5% of denials, respectively. These three factors (credit history, collateral, and debt-to-income ratio) each relate to the applicant’s long-term ability to repay the loan, rather than short-term availability of cash (for down-payment and closing costs) or incomplete/unverifiable information.

<b>Reasons for Loan Denial by Applicant Sex in Lexington, Kentucky, 2010-2014</b>						
<b>Reasons for Denial</b>	<b>Female Applicant(s)*</b>		<b>Male Applicant(s)*</b>		<b>Male/Female Co-Applicants</b>	
	<b>Count</b>	<b>Share</b>	<b>Count</b>	<b>Share</b>	<b>Count</b>	<b>Share</b>
Total Denials	645	100.0%	948	100.0%	602	100.0%
Reason provided	546	84.7%	816	86.1%	509	84.6%
Collateral	79	12.2%	90	9.5%	82	13.6%
Credit application incomplete	75	11.6%	125	13.2%	125	20.8%
Credit history	237	36.7%	336	35.4%	123	20.4%
Debt-to-income ratio	91	14.1%	143	15.1%	119	19.8%
Employment history	23	3.6%	48	5.1%	38	6.3%
Insufficient cash	28	4.3%	51	5.4%	37	6.1%
Mortgage insurance denied	1	0.2%	1	0.1%	4	0.7%
Unverifiable information	22	3.4%	51	5.4%	31	5.1%
Other	49	7.6%	95	10.0%	48	8.0%
Reason not provided	99	15.3%	132	13.9%	93	15.4%

Note: Includes applications with a single male or female applicant and applications with male/male or female/ female co-applicants.

Source: FFIEC 20102-2014 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

Of the other, less common reasons for loan denials, unverifiable information affected 5.1% of male/female co-applicants, 3.4% of females, and 5.4% of males. Male applicants are more likely to have insufficient cash for down-payment/closing costs and unverifiable information than are females. These disparities, however, tend to be small, ranging from gaps of 0.1 to 2.7 percentage points. In general, denial reasons follow similar patterns regardless of applicant sex, with debt-to-income ratios, credit history, and collateral being the most common barriers to loan approval.

## Loan Approvals & Denials by Applicant Race & Ethnicity

The table that follows disaggregates loan approval rates by race and ethnicity for different levels of income. Complete race, ethnicity, and income data was available for 19,474 loan records. White applicants made up 88.3% of loan applicants, followed by 6.2% African-Americans, 3.0% Asians, and Latinos at 2.2% of loan applicants.

Loan Approval and Denial Rates by Race and Ethnicity in Lexington, Kentucky, 2010-2014						
Applicant Income	Applicant Race and Ethnicity					All Applicants
	Non-Latino				Latino (All Races)	
	White	African American	Asian	Other		
<b>Low Income</b>						
Total Applications	2,198	246	59	9	128	2,640
Completed Applications	1,778	218	47	6	112	2,161
Approval Rate	77.5%	69.3%	70.2%	66.7%	77.7%	76.5%
Denial Rate	22.5%	30.7%	29.8%	33.3%	22.3%	23.5%
<b>Moderate Income</b>						
Total Applications	8,746	668	285	39	198	9,936
Completed Applications	7,471	581	255	33	177	8,517
Approval Rate	88.6%	82.4%	85.1%	84.8%	82.5%	88.0%
Denial Rate	11.4%	17.6%	14.9%	15.2%	17.5%	12.0%
<b>High Income</b>						
Total Applications	6,249	291	232	29	97	6,898
Completed Applications	5,282	261	210	23	77	5,853
Approval Rate	91.9%	90.4%	89.0%	95.7%	94.8%	91.8%
Denial Rate	8.1%	9.6%	11.0%	4.3%	5.2%	8.2%
<b>Total</b>						
Total Applications	17,193	1,205	576	77	423	19,474
Completed Applications	14,531	1,060	512	62	366	16,531
Approval Rate	88.5%	81.7%	85.4%	87.1%	83.6%	87.8%
Denial Rate	11.5%	18.3%	14.6%	12.9%	16.4%	12.2%

Source: FFIEC 2010 to 2014 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

For low- income applicants, loan approval rates ranged from 77.7% for Latinos, 77.5% for Whites, 70.2% for Asians, to 69.3% African American applicants.

Moderate-income applicants had higher approval rates and lower denial rates than the low-income group for all races/ethnicities. In the moderate-income band, minority applicants had approval rates ranging from 85.1% for Asians to 84.8 % for Latinos and 82.4% for African Americans compared to 88.6% for Whites. Approval rate gaps were lower between Asians and Whites, but higher for African Americans than other racial and ethnic groups. At the high-income level, approval rates ranged from 94.8% for Latinos to 89.0% for Asians. The approval rate for Whites was 91.9% compared to 90.4% for African Americans. Overall, this analysis indicates that loan outcomes for Whites were overall better than for minority applicants in most income brackets.

The table on the following page identifies reasons for loan denials for White, African American, Asian, Other, and Latino applicants. Data is not presented for persons of other races due to the low number of observations for this group. For each minority group, the distribution of loan denial reasons is compared to that of White applicants (as a reference group). Findings are summarized below:

- Denial reasons were less likely to be provided for African American (19.7%) and Other (25.0%) applicants than for Whites (15.2%) and Latinos (11.5%).
- The most common reason for loan denials was credit history for Whites and African Americans. This factor was behind 30.0% of denials to Whites to 38.9% of denials to African Americans, and it speaks to a household's overall long-term ability to repay home loans.
- Subsequent reasons for denial vary by race and ethnicity. Debt-to-income ratio, incomplete credit application, and collateral concluded the top three denial reasons for racial and ethnic groups.
- For Asian, Latino, and Other minority loan applicants, unverifiable information, was more likely to be a barrier to loan approval than for White applicants.

**Reasons for Loan Denial by Applicant Race and Ethnicity in Lexington, Kentucky, 2010-2014**

Reasons for Denial	Applicant Race and Ethnicity									
	Non-Latino								Latino Applicants	
	White		African American		Asian		Other			
	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
Total Denials	1,699	100.0%	198	100.0%	75	100.0%	8	100.0%	61	100.0%
Reason provided	1,440	84.8%	159	80.3%	68	90.7%	6	75.0%	54	88.5%
Collateral	214	12.6%	14	7.1%	8	10.7%	2	25.0%	2	3.3%
Credit application incomplete	265	15.6%	18	9.1%	16	21.3%	0	0.0%	8	13.1%
Credit history	509	30.0%	77	38.9%	10	13.3%	1	12.5%	15	24.6%
Debt-to-income ratio	270	15.9%	38	19.2%	10	13.3%	2	25.0%	21	34.4%
Employment history	79	4.6%	7	3.5%	6	8.0%	2	25.0%	5	8.2%
Insufficient cash	88	5.2%	7	3.5%	8	10.7%	1	12.5%	8	13.1%
Mortgage insurance denied	6	0.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unverifiable information	78	4.6%	8	4.0%	8	10.7%	1	12.5%	6	9.8%
Other	148	8.7%	15	7.6%	13	17.3%	0	0.0%	3	4.9%
Reason not provided	259	15.2%	39	19.7%	7	9.3%	2	25.0%	7	11.5%

Source: FFIEC 2010-2014 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

## Loan Actions by Census Tract Minority Percentage

Census tracts often approximate neighborhoods and can provide a convenient measure of the small area effects of loan discrimination. The following table (HMDA Loan actions by Census Tract Minority Percentage) provides the counts and rates of loan actions<sup>31</sup> for Lexington census tracts by level of minority population.

The categories shaded in green show loans that were approved by a HMDA-reporting loan institution. Many loans were approved and resulted in a mortgage (Loan Originated), although in some cases an application was approved but the applicant decided not to finalize the loan; these are categorized as “Approved But Not Accepted.”

HMDA Loan Actions by Census Tract Minority Percentage in Lexington, Kentucky, 2010-2014						
Tract Minority Percentage	Loan Originated	Approved, Not Accepted	Denied by Financial Institution	Withdrawn by Applicant	Closed Incomplete	Total
<b>Loan Action (Counts)</b>						
0.0%-9.9%	3,178	137	410	583	73	4,381
10%-19.9%	6,005	220	900	1,432	98	8,655
20%-29.9%	2,657	95	387	433	56	3,628
30%-39.9%	2,290	51	342	321	37	3,041
40%-49.9%	323	9	74	120	10	536
50%-59.9%	228	17	69	85	5	404
60%-69.9%	61	5	59	71	3	199
70%-79.9%	47	5	17	18	2	89
80%-89.9%	125	3	27	20	3	178
90%-99.9%	50	1	5	6	2	64
<b>Total</b>	<b>14,964</b>	<b>543</b>	<b>2,290</b>	<b>3,089</b>	<b>289</b>	<b>21,175</b>
<b>Loan Action (Rates)</b>						
0.0%-9.9%	72.5%	3.1%	9.4%	13.3%	1.7%	100.0%
10%-19.9%	69.4%	2.5%	10.4%	16.5%	1.1%	100.0%
20%-29.9%	73.2%	2.6%	10.7%	11.9%	1.5%	100.0%
30%-39.9%	75.3%	1.7%	11.2%	10.6%	1.2%	100.0%
40%-49.9%	60.3%	1.7%	13.8%	22.4%	1.9%	100.0%
50%-59.9%	56.4%	4.2%	17.1%	21.0%	1.2%	100.0%
60%-69.9%	30.7%	2.5%	29.6%	35.7%	1.5%	100.0%
70%-79.9%	52.8%	5.6%	19.1%	20.2%	2.2%	100.0%
80%-89.9%	70.2%	1.7%	15.2%	11.2%	1.7%	100.0%
90%-99.9%	78.1%	1.6%	7.8%	9.4%	3.1%	100.0%
<b>Total</b>	<b>70.7%</b>	<b>2.6%</b>	<b>10.8%</b>	<b>14.6%</b>	<b>1.4%</b>	<b>100.0%</b>

Source: FFIEC 2010 to 2014 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

<sup>31</sup> Loan approvals include “Loan Originated” and “Approved but Not Accepted.” “Application Denials by the Financial Institution” was the single category used to calculate Denial Rates. Other loan action categories included “Application Withdrawn by Client” and “File Closed for Incompleteness.”

Loan applications from tracts with minority population shares below 30% made up 78.7% of the total, while only 2.5% of loan applications were for homes in census tracts with minority population shares between 60% and 90% of the tract total. Overall, loan origination rates tended to decline as the share of minority population increased. For tracts that were 20-49.9% minority, loan origination rates were about 73.1%; this rate fell to 53.0% for tracts with 50-89.9% minority population and only 50 loan applications were originated for tracts that were composed of 90% or more minority residents.

Denial rates tended to increase as minority population shares rose. However, the lowest loan denial rates were in tracts that were 90-99.9% minority (denial rates of 7.8%) compared to a high of 29.6% for tracts that were 60-69.9% minority.

### Summary of HMDA Analysis

This analysis found differences in loan approvals and denials by sex, race, and ethnicity varied depending on income levels, as outlined below:

- At the low- income level, female applicants had higher approval rates and lower denial rates than both male/female co-applicants and male applicants. As incomes increased to the high-income group, male/female co-applicants had higher loan approval rates.
- A comparison of loan outcomes by applicant race/ethnicity shows that Whites have uniformly higher approval rates than African Americans and Asians in all income groups; in some income bands, Latinos had higher loan approval rates than any other racial or ethnic group.
- Regardless of race, ethnicity, or sex, the most common reasons for loan denials were debt-to-income ratio and credit history. While this data uncovers disparity in loan approvals by race, ethnicity, and sex at some income levels, it is not possible to determine if the lender motivation for this disparate treatment was due to economic reasons, social discrimination or both.

## Fair Housing Organizations & Activities

---

Public awareness of fair housing issues and laws is critical to reducing fair housing violations and is a means to ending housing discrimination. This awareness of fair housing rights is also a critical component in ensuring that residents have equitable access to healthy, opportunity-rich neighborhoods that are in line with their needs and preferences. In general, fair housing services can typically include the investigation and resolution of housing discrimination complaints; discrimination auditing and testing; and education and outreach; including the dissemination of fair housing information such as written material, workshops, and seminars. In addition, fair housing agencies may also provide counseling services that educate landlords and tenants of their rights and responsibilities under fair housing law and other consumer protection legislations. In some instances, these agencies also mediate disputes between tenants and landlords.

The goal of fair housing education is to ensure that citizens know their rights and what to do if their rights have been violated. This section provides an overview of available fair housing services and educational activities available to residents in Lexington.

HUD's Office of Fair Housing and Equal Opportunity (FHEO) enforces the Fair Housing Act and other civil rights laws that prohibit discrimination in housing, mortgage lending, and other related transactions in Lexington. HUD also provides education and outreach, monitors agencies that receive HUD funding for compliance with civil rights laws, and works with state and local agencies under the Fair Housing Assistance Program (FHAP) and Fair Housing Initiative Program (FHIP).

The Kentucky Commission on Human Rights (KCHR) enforces Kentucky's Civil Rights Act and other federal civil rights laws, to include the Fair Housing Act. The KCHR receives housing discrimination complaints and is empowered to investigate, conciliate, or otherwise rule on them. In addition to its investigative and enforcement powers, the Commission is also required by state law to provide a comprehensive education program regarding fair housing and civil rights.

Similar in role and function to the KCHR, Lexington-Fayette has also established a Human Rights Commission empowered to receive complaints, conduct investigations, conciliate, and hold hearings regarding alleged discriminatory housing practices. The local human rights commission is also charged with collaboration with local and state organizations and agencies that support fair and affordable housing and community outreach and training on issues of fair and affordable housing.

Despite the presence of human rights commissions at both the state and local levels, most stakeholders consulted in the development of this report named the Lexington Fair Housing

Council when asked about organizations that could assist with a housing discrimination issue. The Council is a nongovernmental, nonprofit fair housing agency that investigates complaints of discrimination in housing and lending throughout the state, and assists aggrieved persons with filing administrative complaints with HUD or a state or local human rights commission. The Council also assists with attorney referrals and with filing fair housing lawsuits in court.

## Housing Discrimination Complaints and Lawsuits

---

A study titled “How Much Do We Know” published by HUD in 2002<sup>32</sup>, reports that only half of the public could correctly identify as unlawful six out of eight scenarios describing illegal fair housing conduct. Approximately one-fourth of the public knew the law in two or fewer of the eight cases. In addition, 14% of the adult population claims to have experienced some form of housing discrimination at one point or another in their lives. Of those who thought they had been discriminated against, 83% indicated they had done nothing about it, while 17% say they did pursue a complaint. In HUD’s 2005 follow-up study “Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law” (published in 2006), 41% of general survey respondents said it was “very likely” they would do something about future discrimination compared to only 20% of persons who had in the past perceived/experienced discrimination, of which African Americans reported being somewhat more prone to say they would be likely to respond.<sup>33</sup> The survey also revealed that 46% of those who reported having experienced discrimination in the past and done nothing about it, said they would very likely do something about future discrimination.

The follow-up study showed that of the 2005 respondents, a surprising 80% of those surveyed who believed they had experienced housing discrimination and actually had a plausible basis for complaint, did not take any action in response. Further, the study found that even among those who had the highest levels of fair housing knowledge, only a small percentage decided to take action when confronted with housing discrimination. The study sought to answer why there is such a large gap between the intent to respond and actually taking some form of action. Knowing where/to whom to complain was not shown to be a major obstacle. But many respondents believed that it was not worth the time it takes to resolve a complaint or would be expensive in terms of cost. Only 13% of the public thought it very likely that filing a complaint would accomplish good results, while others stated that they did not know where to complain and lacked the resources to do so.

In 2008, the Kentucky Advisory Committee to the United States Commission on Civil Rights published a report titled *Fair Housing Enforcement in Kentucky: Presence of Local Human Rights Commissions Prompts More Disability Housing Complaints, Complaint Investigation*

---

<sup>32</sup> Martin D. Abravanel and Mary K. Cunningham, *How Much Do We Know? Public Awareness of the Nation’s Fair Housing Laws*, U.S. Department of Housing and Urban Development, April 2002. Available at: <https://www.huduser.gov/portal/Publications/pdf/hmwk.pdf>.

<sup>33</sup> Martin D. Abravanel and Mary K. Cunningham, *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law*, U.S. Department of Housing and Urban Development, February 2006. Available at: <http://www.fhco.org/pdfs/DoWeKnowMoreNowSurvey2006.pdf>.

*Resolutions Are Similar for HUD and Local Commissions.*<sup>34</sup> The study examined the effect of local human rights agencies both as to the number of fair housing complaints that are filed as well as to the resolution of the complaints. In Kentucky, three agencies qualify to participate in HUD’s Fair Housing Assistance Program (FHAP): the state agency, Kentucky Commission on Human Rights; and two local commissions—the Lexington Human Rights Commission and the Louisville Human Rights Commission. These three commissions are certified by HUD as “substantially equivalent” to conduct all phases of a housing discrimination complaint including intake, processing, investigation, determination of findings, and adjudication and enforcement. In addition to these three agencies, approximately 17 local human rights agencies partner with the state to receive and investigate locally filed complaints of housing discrimination. Complaints are then referred to the state agency or HUD for prosecution. The report found that the presence of a local commission significantly increases the number of housing complaints filed on the basis of disability. However, a similar effect for complaints on the basis of race and ethnicity was not observed. Further, whether the complaint is investigated by a local agency or at the federal level, the results are similar. A local human rights commission conducting an investigation of housing discrimination is neither more nor less likely to find probable cause than an investigation conducted by the federal government. Stemming from these findings, the Kentucky Advisory Committee recommended that FHAP be expanded in Kentucky beyond the Lexington and Louisville communities.

Individuals with more knowledge are more likely to pursue a complaint than those with less knowledge of fair housing laws. Therefore, there is an association between knowledge of the law, the discernment of discrimination, and attempts to pursue it. Locally, it is critical that there are efforts in place to educate, to provide information, and to provide referral assistance regarding fair housing issues in order to better equip the community with the ability to assist in reducing impediments.

Each year, the National Fair Housing Alliance (NFHA) collects data from both private, non-profit fair housing organizations and government entities to present an annual snapshot of fair housing enforcement in the United States.<sup>35</sup> NFHA’s 2015 report, “Where You Live Matters: 2015 Fair Housing Trends Report” finds a small increase in housing discrimination complaint filings between 2013 (27,352 filings) and 2014 (27,528 filings). However, the number of housing discrimination complaints filed in 2014 represented a 1.2% decrease in filings compared with the five-year average of 27,868. In 2014, the predominant basis of

---

<sup>34</sup> *Fair Housing Enforcement in Kentucky: Presence of Local Human Rights Commissions Prompts More Disability Housing Complaints*, Prepared by the Kentucky Advisory Committee, Aug. 2008. Available at: <http://www.usccr.gov/pubs/KYFairHous.pdf>.

<sup>35</sup> National Fair Housing Alliance, “2015 Fair Housing Trends Report,” Accessed February 22, 2016. <http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=SYWmBgwpazA%3d&tabid=3917&mid=5321>

complaints filed was disability status, representing 51.8% of all complaints, followed by race (22.0%), and familial status (11.0%).

The figures reported by NFHA help to set a national context for comparison, but data specifically pertaining to fair housing complaints or lawsuits originating from Lexington are discussed in the following sections. Lexington complaint data was requested from three sources: HUD, the Kentucky Commission on Human Rights, and the Lexington-Fayette Urban County Human Rights Commission.

## Administrative Complaints

An individual who believes he or she has been the victim of an illegal housing practice under the FHA may file a complaint with the appropriate HUD Regional Office of Fair Housing and Equal Opportunity (FHEO) within one year of when the discriminatory practice occurred. The aggrieved party also may file a lawsuit in federal district court within two years of the discriminatory act (or in the case of multiple, factually-related discriminatory acts, within two years of the last incident). Where an administrative action has been filed with HUD, the two year statute of limitations is tolled during the period when HUD is evaluating the complaint.

After the FHEO receives a complaint, it will notify the alleged discriminator (respondent) and begin an investigation. During the investigation period, the FHEO will attempt through mediation to reach conciliation between the parties. If no conciliation agreement can be reached, HUD must prepare a final “Determination” report finding either that there is “reasonable cause” to believe that a discriminatory act has occurred or that there is no reasonable cause. If the FHEO finds “reasonable cause,” HUD must issue a “Charge of Discrimination.” If the FHEO determines that there is no “reasonable cause,” the case is dismissed. The advantages of seeking redress through the administrative complaint process are that HUD takes on the duty, time, and cost of investigating the matter for the complainant and conciliation may result in a binding settlement. However, the complainant also gives up control of the investigation and ultimate findings.

If a charge is issued, a hearing/trial will be scheduled before an administrative law judge. The ALJ may award the aggrieved party injunctive relief, actual damages, and also impose civil penalties, but unlike federal district court, may not impose punitive damages. Administrative proceedings are generally more expedited than the federal court trial process.

The Kentucky Fair Housing Act (KRS § 344.360 *et seq.*; 344.600—344.680) is substantially similar to the federal FHA in terms of its protections and the grievance and enforcement

process.<sup>36</sup> As with the FHA, the state act identifies unlawful housing practices and protects against discrimination based on race, color, religion, sex, familial status, national origin, or disability.

The Kentucky Commission on Human Rights (KCHR) is tasked with administering and enforcing the Kentucky Civil Rights Act, including the Kentucky Fair Housing Act, and Federal civil rights laws including the FHA. An aggrieved party may file a complaint with the KCHR within one year of the alleged discriminatory housing incident. The KCHR will then conduct an investigation and attempt mediation and conciliation between the adverse parties. If the KCHR finds probable cause to believe a discriminatory housing practice has occurred it will issue a charge of discrimination and the matter will go to an administrative hearing similar to a civil trial. A KCHR staff attorney will represent the aggrieved party at the hearing. If conciliation or a settlement agreement cannot be reached, the Board of Commissioners of the KCHR may act with the authority of a court to rule on the complaint. The Board may grant injunctive relief, punitive and compensatory damages, and/or a civil penalty.

If the commission determines that the matter involves the legality of any state or local zoning or other land use law or ordinance, a hearing will not be conducted before the KCHR Board, but rather the commission or State Attorney General may file a civil action in Circuit Court for appropriate relief within 18 months of the occurrence or termination of the alleged discriminatory practice. (*See* KRS 344.665).

Kentucky's Civil Rights Act also authorizes cities and counties to adopt local nondiscrimination ordinances and to establish local human rights commissions to help safeguard the respective jurisdiction's residents from discrimination. (KRS 344.300; 344.310). Accordingly, Lexington has codified into local law portions of the KY Civil Rights Act, including provisions of the KFHA. The local government has expanded the state's civil rights protections in employment, public accommodations, and housing to also protect persons from discrimination on the basis of sexual orientation and gender identity.

---

<sup>36</sup> There are some differences between the state and federal act in terms of wording. For example, the KFHA limits the actors that the law applies to by specifying that it is unlawful for "a real estate operator, or for a real estate broker, real estate salesman, or any person employed by or acting on behalf of any of these" to commit one of the described unlawful housing practice, whereas the federal law is not limited in this way. (KRS 344.360). Also, the Kentucky law excludes from the definition of handicap/disability not only persons currently and illegally using a controlled substance, but also those with a *past* problem of controlled substance or alcohol abuse. (KRS 344.010). Additionally, whereas the federal FHA provides exemptions for owner-occupied housing with four units or less and single family homes, the state law's exemptions include the rental of an owner-occupied duplex or one room in a private home; the sale of property without help from a real estate dealer and without public advertising; and the rental of church-owned housing to the extent of giving preference to those of that religion. (KRS 344.365).

Lexington also has established a Human Rights Commission empowered to receive complaints, conduct investigations, conciliate, and hold hearings regarding alleged discriminatory housing practices; to collaborate with local and state organizations and agencies that support fair and affordable housing; and to do community outreach and training on issues of fair and affordable housing. (*See Code of Ordinances § 2-22 et seq.*)

For complaints filed locally with the Lexington-Fayette Human Rights Commission, the commission follows the same procedures as the KCHR except as it relates to actions taken by the state Attorney General. The local commission is not authorized to impose punitive damages or a civil penalty, but, if after an administrative hearing, it determines that the respondent engaged in an unlawful practice, it may issue an order requiring the respondent to cease and desist from the unlawful practice and to take remedial and affirmative action as ordered by the commission. (*See Lexington-Fayette Code of Ordinances § 2-32*).

### Complaints filed with HUD

Region IV of the Office of Fair Housing and Equal Opportunity (FHEO) receives complaints by households regarding alleged violations of the Fair Housing Act for cities and counties throughout Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee. The mission of the FHEO is to protect individuals from employment, housing and public accommodation discrimination, and hate violence. To achieve this mission, the FHEO maintains databases of and investigates complaints of housing discrimination, as well as complaints in the areas of employment, housing, public accommodations and hate violence.

The following table provides summary details of the complaints received by the Region IV FHEO over the period January 1, 2011 through February 29, 2016, regarding housing discrimination alleged to have occurred in Lexington. In addition to those incidents included in the table, HUD also received 27 other inquiries which were not filed as formal complaints for various reasons, including that the inquiry failed to present a valid issue or basis for complaint under the FHA; the complaint could not be timely filed / statute of limitations had lapsed; the claimant failed to respond or could not be located; or the claimant decided not to pursue a complaint.

For the relevant time period, there were 120 housing complaints from within Lexington filed with HUD/FHEO. Of these complaints, 31 were found to have no cause, 53 were conciliated and settled, 14 remain open cases, and the others were closed for other reasons as detailed in the table below. Consistent with the national trends reported by NFHA, the most common basis for these complaints was disability status (47 complaints), followed by race (30),

familial status (22), sex (21), national origin (14), and retaliation (9). (Some complaints included more than one basis of discrimination.)

HUD Complaint Data - Lexington, Kentucky			
HUD Filing Date	Complaint Closure	Closure Reason	Basis/Bases
01/13/15	Open	TBD	Disability
07/27/15	Open	TBD	Race
09/17/15	Open	TBD	National Origin
09/21/15	Open	TBD	Disability; Retaliation
11/09/15	Open	TBD	Religion
11/12/15	Open	TBD	Familial Status; Retaliation
11/20/15	Open	TBD	Race
11/25/15	Open	TBD	Race
12/16/15	Open	TBD	National Origin
02/17/16	Open	TBD	Disability
02/18/16	Open	TBD	Disability; Retaliation
02/22/16	Open	TBD	Race
02/22/16	Open	TBD	Disability
02/22/16	Open	TBD	Disability
?	08/30/11	Conciliation/ settlement	? (data missing)
09/14/09	03/24/11	Complainant failed to cooperate	Disability
03/29/10	03/18/11	Conciliation/ settlement (\$2,970)	Familial Status
07/27/10	01/05/11	No Cause determination	Race; Sex
10/07/10	06/27/11	No Cause determination	Sex
12/08/10	02/17/12	Conciliation/settlement (\$700)	Disability
01/20/11	05/24/12	No Cause determination	Religion; Retaliation
02/24/11	06/28/11	No Cause determination	Disability
03/16/11	06/30/11	No Cause determination	Sex; Disability
05/26/11	07/29/11	Conciliation/settlement (\$500)	Familial Status
05/26/11	09/08/11	No Cause determination	Familial Status
05/26/11	05/29/13	Conciliation/settlement (\$10,000)	Disability
05/26/11	01/30/12	No Cause determination	Familial Status
06/03/11	06/14/11	Conciliation/settlement	Race
07/21/11	01/05/12	Conciliation/settlement (\$600)	Disability
08/04/11	12/20/11	No Cause determination	Race
09/14/11	10/26/11	Conciliation/settlement	Familial Status
10/11/11	12/16/11	Conciliation/settlement (\$510)	Sex
12/08/11	05/02/12	Conciliation/settlement	Familial Status
01/09/12	02/28/12	Complaint withdrawn	Sex
01/18/12	06/11/12	No Cause determination	Race

02/27/12	09/12/14	Complainant failed to cooperate	Sex
02/27/12	12/04/14	Election to proceed in court	Disability; Retaliation
02/27/12	09/12/14	Complainant failed to cooperate	Sex
02/27/12	09/12/14	Complainant failed to cooperate	Sex
03/30/12	05/22/12	Conciliation/settlement (\$350)	Disability
05/03/12	12/13/12	No Cause determination	Sex
05/03/12	12/14/12	No Cause determination	Sex
05/23/12	? (data missing)	? (data missing)	Sex
05/24/12	09/12/12	Conciliation/settlement (\$2,000)	Disability
05/24/12	07/10/14	Conciliation/settlement (\$5,000)	Race; Religion; Familial Status
06/28/12	03/15/13	Conciliation/settlement (\$500)	Familial Status
07/19/12	10/10/12	Conciliation/settlement	Race
08/03/12	12/13/12	Conciliation/settlement (\$600)	Disability
09/14/12	08/13/13	No Cause determination	National Origin
09/14/12	02/01/13	Conciliation/settlement (\$500)	Disability
11/27/12	03/20/13	Conciliation/settlement (\$350)	Disability
12/10/12	04/01/13	Complainant failed to cooperate	Disability
12/11/12	03/20/13	Conciliation/settlement (\$350)	Disability
12/26/12	09/03/13	Conciliation/settlement (\$2,500)	Familial Status; Retaliation
12/26/12	07/19/13	Conciliation/settlement (\$250)	Sex
12/26/12	10/24/13	No Cause determination	Disability
12/26/12	10/30/13	No Cause determination	Race; National Origin
01/14/13	07/31/13	No Cause determination	Race
01/14/13	01/16/13	Conciliation/settlement (\$500)	Familial Status
01/22/13	01/14/14	Conciliation/settlement (\$1,000)	National Origin
01/21/13	07/22/14	No Cause determination	Familial Status
02/04/13	04/14/14	Conciliation/settlement (\$350)	Disability
02/04/13	?	? (data missing)	Sex; Retaliation
02/12/13	08/08/14	Conciliation/settlement (\$750)	Familial Status
02/26/13	12/23/13	Conciliation/settlement (\$2,500)	National Origin
05/03/13	07/29/13	Conciliation/settlement	Disability
05/13/13	05/29/13	Conciliation/settlement (\$25)	Disability
05/13/13	05/29/13	Conciliation/settlement (\$25)	Disability
06/18/13	10/15/13	Complaint withdrawn	National Origin
06/18/13	02/10/14	No Cause determination	Disability
07/18/13	09/17/13	Conciliation/settlement (\$1,000)	Sex
08/21/13	05/01/14	No Cause determination	Religion; Disability
08/27/13	04/15/14	No Cause determination	Disability
08/27/13	01/14/14	Complainant failed to cooperate	Race; Disability; Familial Status
08/27/13	02/06/15	Conciliation/settlement (\$9,000)	Sex
08/27/13	11/18/13	Complainant failed to cooperate	Race; Sex

09/25/13	04/24/14	Closed because trial begun	Disability
09/25/13	07/22/14	No Cause determination	Familial Status
09/25/13	05/30/14	No Cause determination	Sex
09/25/13	07/16/14	No Cause determination	Disability
10/21/13	07/02/14	Complaint withdrawn	Familial Status
10/21/13	05/01/14	Conciliation/settlement (\$150)	Disability
12/05/13	01/14/14	Conciliation/settlement (\$500)	Race
01/21/14	04/23/14	No Cause determination	Race; Familial Status
01/21/14	04/25/14	Conciliation/settlement (\$5,000)	Race; Disability
03/06/14	10/16/14	Conciliation/settlement (\$12,000)	Disability
03/02/14	06/03/14	Conciliation/settlement (\$1,100)	Disability
04/08/14	05/21/14	Conciliation/settlement (\$481)	National Origin
04/09/14	06/10/14	Conciliation/settlement	Race
04/17/14	09/25/14	Complainant failed to cooperate	National Origin
05/13/14	11/11/14	No Cause determination	Disability; Retaliation
06/16/14	04/17/15	Conciliation/settlement (\$4,500)	Familial Status; Retaliation
06/16/14	09/15/14	Complainant failed to cooperate	Familial Status
06/16/14	02/05/15	Conciliation/settlement	Sex
06/14/14	02/05/15	Conciliation/settlement	Disability
07/08/14	12/29/14	Conciliation/settlement (\$250)	National Origin
07/08/14	02/04/15	No Cause determination	Race
08/05/14	04/16/15	Conciliation/settlement (\$10,000)	Disability
09/02/14	11/03/14	No Cause determination	Race; Sex; Disability
09/12/14	12/03/14	Complainant failed to cooperate	Familial Status
09/17/14	06/25/15	No Cause determination	National Origin
09/22/14	09/22/14	Dismissed for lack of jurisdiction	Race
12/10/14	02/27/15	Conciliation/settlement (\$2,200)	Race
12/18/14	04/15/15	Conciliation/settlement (\$2,200)	Race
01/13/15	08/13/15	Conciliation/settlement	Familial Status
02/26/15	06/24/15	No Cause determination	National Origin
03/12/15	?	? (data missing)	Disability; Familial Status
04/28/15	07/01/15	Conciliation/settlement	Race
04/28/15	05/19/15	No Cause determination	Race; Religion; Disability
05/11/15	08/13/15	Complainant failed to cooperate	Race
06/23/15	11/12/15	No Cause determination	Race; Sex; Disability
07/23/15	09/17/15	Conciliation/settlement	Disability
07/24/15	08/19/15	Conciliation/settlement	Race; Disability
07/27/15	08/13/15	Conciliation/settlement	Race
07/27/15	08/07/15	Complainant failed to cooperate	Race
09/09/15	02/29/16	No Cause determination	Disability
09/17/15	09/23/15	Conciliation/settlement	Disability
09/18/15	09/23/15	Complaint withdrawn	National Origin; Sex

12/17/15	02/17/16	Conciliation/settlement	National Origin
10/21/13	01/15/14	Conciliation/settlement (\$150)	Disability

The full complaint data, including case numbers, as provided by FHEO may be found in the Appendix to this document.

## Complaints filed with the Kentucky Commission on Human Rights

The Kentucky Commission on Human Rights (KCHR) is the state government authority that enforces the Kentucky Civil Rights Act (Kentucky Revised Statutes Chapter 344), which protects people in the areas of housing, employment, public accommodations, and financial transactions. The agency receives, initiates, investigates, conciliates, mediates, and rules upon complaints alleging violations of the Kentucky Civil Rights Act, including the Kentucky Fair Housing Act. Through its partnerships with HUD, it also is tasked with enforcing the federal FHA. As described previously, after a complaint is filed with the KCHR, and the agency investigates the claims and respondent's answer, the KCHR will attempt mediation and conciliation. If a conciliation or settlement is not reached, the Board of Commissioners of the KCHR may act with the authority of a court of law to rule on the complaint. The Commission Board may dismiss the complaint with findings of no probable cause to believe discrimination occurred, or the Commissioners may find the respondent in violation of the Kentucky Civil Rights Act.

All housing discrimination complaints received by the Commission from within Lexington over the most recent five-year period for which data was available are tabulated in the table below.

Kentucky Commission on Human Rights Complaint Data - Lexington						
Incident date	Complaint filed date	Basis	Issue	Disposition	Date of Order	Settlement / Damages Amount
10/05/2010	01/13/2011	Disability	Service dog fee	Conciliated	01/17/2013	\$1,000
04/01/2013	06/21/2013	Race	Differential treatment	No probable cause	08/15/2013	
07/09/2013	09/05/2013	Disability	Eviction	Open (as of 03/29/2016)		
11/04/2013	02/26/2014	Disability	Denied full and equal enjoyment	Conciliated	10/16/2014	\$12,000

05/22/2014	07/01/2014	National Origin	Denied full and equal enjoyment	Conciliated	01/15/2015	\$240
03/11/2014	07/31/2014	Disability	Denied full and equal enjoyment	Conciliated	04/16/2015	\$10,000
06/01/2015	07/13/2015	Race	Denied full and equal enjoyment	Open (as of 03/29/2016)		
07/31/2015	09/01/2015	Disability	Threat to evict	Open (as of 03/29/2016)		

Of the eight complaints received by the Commission over the past five years, one was determined to have no probable cause. Three of the eight cases remain open and under investigation and mediation efforts. Four of the eight cases have been resolved by conciliation agreements mediated by the Commission between the adverse parties. As with the HUD data, disability status was the most common basis for complaints.

### Complaints filed with the Lexington-Fayette Urban County Human Rights Commission

The present Lexington-Fayette Urban County Human Rights Commission was created in 1974. The LFUCHRC is empowered to receive complaints of discrimination because of race, color, religion, national origin, sex, age, disability, familial status, and sexual orientation/gender identity in the areas of housing, employment, and public accommodations. The Commission may then conduct investigations into such complaints, hold evidentiary hearings, and make a determination of cause.

A request was made to the LFUCHRC for data reflecting the number of complaints of housing discrimination received by the local Commission regarding housing units in Lexington for the period January 1, 2011 through February 29, 2016, the status of all such complaints, and the basis/bases of all such complaints. The LFUCHRC provided the data in the table on the following page.

As with the national data from NFHA, and the complaint data from HUD and the state Commission, of the 104 complaints received by the Commission over the past five years, disability status was the most common basis for complaints (37 complaints; approximately 35% of total complaints). Of the 92 cases which have been closed, 41 were conciliated, 28 were determined to have no probable cause, 14 were found to have cause, and 9 were administratively closed for other reasons.

**Lexington-Fayette Urban County Human Rights Commission Complaint Data**

Year	Bases							Disposition				Total # of Complaints	Total Settlement Amount
	Disability	Race	Family Status	Sex	National Origin	Religion	Sexual Orientation	Conciliation	No Cause	With Cause	Other		
2011	4	4	2	1	0	0	2	5	4	2	2	13	\$23,223
2012	5	3	4	1	0	1	1	8	4	2	1	15	\$4,350
2013	8	0	3	4	2	0	0	10	2	4	1	17	\$18,550
2014	9	7	5	1	4	1	0	14	9	3	1	27	\$11,381
2015	6	6	1	4	3	0	0	4	9	3	4	20	\$16,250
2016*	5	3	1	0	1	0	2	--	--	--	--	12	--
<b>Total</b>	<b>37</b>	<b>23</b>	<b>16</b>	<b>11</b>	<b>10</b>	<b>2</b>	<b>5</b>	<b>41</b>	<b>28</b>	<b>14</b>	<b>9</b>	<b>104</b>	<b>\$73,754</b>

\*2016 cases are still open; data on disposition and settlement amounts in not yet available.

## Complaints filed with the Lexington Fair Housing Council

The Lexington Fair Housing Council is a nongovernmental, nonprofit fair housing agency that investigates complaints of discrimination in housing and lending throughout the state, and assists aggrieved persons with filing administrative complaints with HUD or a state or local human rights commission. The Council also assists with attorney referrals and with filing fair housing lawsuits in court.

The LFHC provided data for fair housing inquiries and complaints it received in 2015. Of 75 cases of alleged housing discrimination complaints arising in Lexington that the Council received in 2015, discrimination based on disability was the most common (34 incidences), followed by race (20), gender (10), national origin (7), familial status (2), religion (1), and sexual orientation (1). Thirteen of these cases were pursued through filing administrative complaints with HUD or the Kentucky Human Rights Commission and should be reflected in their respective complaint data.

## Housing Discrimination Lawsuits

As an alternative to pursuing relief through the administrative process, an aggrieved party or the respondent may elect to have the administrative proceeding terminated and the case instead adjudicated in federal court. The Department of Justice will prosecute the case on behalf of the aggrieved party. Additionally, the DOJ may bring suit on behalf of individuals based on referrals from HUD in the case of a “pattern or practice” of discriminatory actions, a case of particular importance to the public interest, or when there has been a breach of a conciliation agreement. An aggrieved party may intervene in any action filed by the DOJ.

An aggrieved party also may bypass the federal, state, and local administrative routes, and file a civil action directly in federal district court or the appropriate county circuit court, thus maintaining control of the case and the potential to collect punitive damages. The administrative procedures described in the FHA and the KFHA are not a prerequisite to seeking another action or remedy available under state or federal law. Civil litigation is available without first exhausting administrative remedies unless the parties have already entered a conciliation agreement or, following a charge of discrimination, an administrative hearing has already commenced.

Housing discrimination claims may be brought against local governments and zoning authorities and against private housing providers.

## ***Disparate Impact Claims and the FHA***

Under Kentucky and Sixth Circuit precedent, a plaintiff can establish a violation under the FHA (or Kentucky Fair Housing Act) by proving discrimination in the form of: (1) disparate treatment or intentional discrimination; (2) disparate impact of a law, practice, or policy on a covered group; or (3) in the case of a person with a disability, failure to make a reasonable accommodation or failure to permit a reasonable modification. *See Hollis v. Chestnut Bend Homeowners Ass'n*, 760 F.3d 531 (6th Cir. 2014); *Larkin v. Mich. Dep't of Soc. Servs.*, 89 F.3d 285, 289 (6th Cir. 1996); *Graoch Assoc. #33 v. Louisville/Jefferson County*, 508 F.3d 366 (6th Cir., 2007); *Froman v. O'Dea*, Civil Action No. 2002-CA-001037 (Ky. Ct. App. 2003) (“Kentucky has a Civil Rights Act (KRS Chapter 344) that parallels its federal counterpart.” The general purposes of the Act include “to provide for execution within the state of the policies embodied in the . . . Fair Housing Act . . .”).

Though not explicitly codified in the FHA, all of the federal circuits, including the Sixth Circuit which has jurisdiction to hear appeals from Kentucky district courts, have held or implied that the FHA affords plaintiffs the ability to prove fair housing violations on the theory of disparate impact. *Arthur v. County of Toledo*, 782 F.2d 565, 574–75 (6th Cir. 1986); *Graoch Assocs. # 33, L.P. v. Louisville/Jefferson Cnty. Metro Human Relations Comm'n*, 508 F.3d 366, 371 (6th Cir. 2007) (“To show disparate impact, a plaintiff must demonstrate that a facially neutral policy or practice has the effect of discriminating against a protected class of which the plaintiff is a member.”) The Sixth Circuit has applied a burden-shifting approach for disparate impact claims against private defendants but used a multifactor balancing test for claims against governmental defendants. Compare *Graoch Assocs.*, 508 F.3d 366, 371–74 (private defendant) with *Arthur v. County of Toledo*, 782 F.2d 565, 575 (6th Cir. 1986) (public defendant).

Moreover, on February 15, 2013, HUD issued a regulation interpreting the FHA to encompass disparate impact liability (the “Disparate Impact Rule”). *See Implementation of the Fair Housing Act’s Discriminatory Effects Standard*, 78 Fed. Reg. 11460 (Feb. 15, 2013) (codified at 24 C.F.R. § 100.500 (2013)). The Disparate Impact Rule formalizes HUD’s recognition that liability under the FHA may arise from a facially neutral practice that has discriminatory effects on certain protected groups of people, regardless of whether discriminatory intent can be shown.

Despite the federal circuit courts’ recognition of disparate impact claims under the FHA and HUD’s codification of the theory through its rule-making authority, the Disparate Impact Rule received a lot of pushback and criticism, especially from the lending and insurance industries. In 2015, the U.S. Supreme Court finally had the chance to answer whether disparate impact claims are cognizable under the Fair Housing Act or whether the aggrieved

protected class must meet a higher standard by proving intentional discrimination. On January 21, 2015, the Supreme Court heard oral arguments in *Texas Department of Housing and Community Affairs v. The Inclusive Communities Project, Inc.*, 747 F.3d 275 (5th Cir. 2014), *cert. granted*, 189 L. Ed. 2d 896 (2014), after the Texas DHCA was sued over the allocation of tax credits for low-income building projects.

The Supreme Court held that disparate-impact claims are cognizable under the Fair Housing Act. In formulating its opinion, the Court considered the statute's "results-oriented language," the Court's interpretation of similar language in Title VII and the ADEA, Congress' ratification of disparate-impact claims in 1988 against the backdrop of the unanimous view of nine Courts of Appeals, and the statutory purpose of the FHA.

In its opinion, the Court explained that unlawful practices under the FHA include zoning laws and other housing restrictions that function unfairly to exclude minorities (or other protected classes) from certain neighborhoods without any sufficient justification. The Court reasoned that the results-oriented phrase "otherwise make unavailable" of Section 804(a) of the FHA, refers to the consequences of an action rather than the actor's intent. In upholding the disparate impact theory of recovery, the Court recognized that it plays an important role in uncovering discriminatory intent as it permits plaintiffs to counteract unconscious prejudices and disguised animus that escape easy classification as disparate treatment.

Although recognizing disparate impact liability, the Court focused much of its opinion on the importance of properly limiting such liability to protect valid interests and policies of private developers and government housing authorities, and to prevent overbroad applications that would in themselves raise serious constitutional questions (for instance, by the use of racial quotas). Accordingly, disparate impact analysis must include a "robust causality requirement" to protect defendants from being held liable for racial disparities they did not create. Defendants must be given the opportunity to offer a legitimate justification for the policy or practice, and if they do so, the plaintiff must prove there is "an available alternative practice that has less disparate impact and serves the defendant's legitimate needs." Finally, where unlawful disparate impact is found, "remedial orders" must "concentrate on the elimination of the offending practice" through "race-neutral means."

The Court did not actually rule on whether the Texas Department of Housing had acted unlawfully, but remanded the case to the District Court to adjudicate whether the Department of Housing's policy was necessary to achieve a valid public interest.

The Court's limitations and directions to the lower courts may be seen to be in tension with HUD's final rulemaking on the matter, and such questions will likely have to be further

worked out in future litigation as the decision is applied by the lower courts to local housing discrimination claims.

### ***Noteworthy cases originating in Lexington***

This section provides a summary of the nature, extent, and disposition of two significant housing discrimination lawsuits (and administrative complaints) filed and/or adjudicated between January 2011 and April 2016. These cases include complaints investigated and pursued by HUD and/or the DOJ on behalf of aggrieved parties against private housing providers and also against the Lexington-Fayette Urban County Government for this time period and are important because the issues presented may impact future legislation and litigation or fair housing choice within Lexington. The cases prosecuted by the DOJ are highlighted because they demonstrate the government's interest in protecting fair housing choice and redressing housing discrimination even on a small, localized scale where the case raises an issue of general public importance under the FHA.

- ***Emmanuel Apostolic Church v. Lexington Fayette Urban County Government*, HUD File No. 04-12-1078-6, Title VI Case No. 04-12-1078-6, Section 504 Case No. 04-12-1078-4 (administrative complaint filed Sept. 2012); Civil Action No. 12-CI-04274 (Fayette Cnty Cir. Ct.) (judgment Sept. 26, 2013); Civil Action No. 2013-CA-001751 (Court of Appeals) (Notice of Appeal filed October 11, 2013); Civil Action No. 12-CI-03113 (Fayette Cnty Circuit Court) (judgment Sept. 12, 2014); Civil Action No. 2014-CA-001595 (Court of Appeals) (Notice of Appeal filed October 1, 2014).**

This case stems from the Lexington-Fayette Board of Adjustment's (BOA) revocation of a conditional use permit after it discovered that Complainants were operating a homeless shelter in violation of the zoning code.

In 2010, Breakthrough Inner County Ministries (BICM) applied for a conditional use permit to operate a church on Winchester Road in Lexington. The subject property is located in a commercial zoning district and zoned B-4-Wholesale/Warehouse. Under the zoning ordinance, a church is not a permitted principal use in the B-4 zoning districts, but may be a conditional use with BOA approval. LFUCG contends that Complainants did not disclose any plans to operate a homeless shelter or any other form of housing at the proposed church. In March, the BOA granted a conditional use permit limiting the property to a 30-seat sanctuary for holding Sunday services and Thursday church-related classes and bible study, and in May 2010 Lexington issued a certificate of occupancy.

In 2011, operation of the subject property, known as Community Inn, was transferred to Emmanuel Apostolic Church and the Catholic Action Center. The organizations partnered together to open and operate a homeless shelter at the subject property as part of the church's ministry, and attempted to transfer the conditional use permit to Emmanuel. In April 2012, the BOA learned through the Planning Division that Complainants were not using the property in compliance with the conditional use permit's restrictions, but were instead operating a homeless shelter and housing as many as 75 men and women, seven nights a week at the subject property on a daily basis. Under the zoning ordinance, a homeless shelter is not a permitted or conditional use in the B-4 districts.

LFUCG informed Complainants by letter that following an inspection, it had found that the facility was not in compliance with the conditional permit. A revocation hearing was scheduled. Thereafter, attorneys for Complainants requested a reasonable accommodation to continue operating the Community Inn. Complainants alleged that many of the clients that the ministries serve are African American with physical and mental disabilities, and therefore protected by the FHA. On June 8, 2012, the BOA held a public hearing on the conditional use permit and voted to revoke the permit. The BOA gave the Community Inn's operators six months to find a new location.

In September 2012, the Lexington Fair Housing Council assisted the Complainants in filing an administrative housing discrimination complaint with HUD. Complainants asserted that they were singled-out and treated differently than other similarly situated establishments, that the reasons given for the ordered closure were pretext, and that the real reason was because the Community Inn served a class of predominately African American persons with physical and mental disabilities in a predominately white community. The complaint alleges violations of the FHA, Title IV of the Civil Rights Act (prohibiting discrimination on the basis of race, color, and national origin in programs and activities receiving federal funds from HUD), and Section 504 of the Rehabilitation Act (prohibiting discrimination on the basis of disability by recipients of Federal financial assistance). The complaint asserts claims of intentional discrimination, disparate impact discrimination, and failure to make a reasonable accommodation.

LFUCG submitted its Response in Opposition to Housing Discrimination Complaint on October 10, 2012. Lexington denied that the revocation of the conditional use permit was a violation of fair housing or civil rights laws.

The Complainants also filed two separate suits against LFUCG in Fayette County Circuit Court, arguing in addition to the discriminatory zoning practices, that the BOA violated the open meeting act and the church's religious freedom. The Circuit Court upheld the BOA's revocation of the conditional use permit, and plaintiffs appealed.

The Complainants and LFUCG made attempts at mediation and settlement. If forced to relocate, the ministries wanted to combine the Community Inn with a day shelter that provided additional services to the homeless population. However, complicating matters, in October 2013, the LFUCG Council amended the zoning ordinance to require a conditional use permit in the P-1, B-1, B-2, B-2A, and P-2 zones for any organization operating a shelter during daylight hours if it served people with "limited financial resources, including people who are homeless." Under the change, day shelters would not be a principal permitted use in any zone, whereas the "adult day care center" and other community center uses could be a principal permitted use in the same zones. HUD then amended its investigation and complaint to include Lexington's passage of the day shelter ordinance. In March 2015, HUD turned over its investigation to the Department of Justice's Civil Rights Division. The FHA authorizes HUD to refer any matter involving the legality of "any zoning or land use ordinance" to that DOJ for review.

Between the 2013 amendment and 2015, no new applications for day shelters had been requested. However, in light of the DOJ investigation and perceived inequities, the Planning Commission recommended (on advice of the Law Department) that the day shelter regulations be amended. In June 2015, the Council passed a zoning ordinance text amendment to amend the definition and regulation of day shelters. Under the amended ordinance, day shelters are regulated in the same manner as other "community centers" regardless of the type of clients they serve. The local government hopes that this change will settle the DOJ's investigation into Lexington's zoning practices.

As of April 22, 2016, the Circuit Court of Appeals ordered that the civil case be held in abeyance for a period of 30 days to allow for final settlement between the parties. The parties have preliminarily agreed that Lexington will transfer ownership of a building at 1055 Industry Road to Divine Providence and the Catholic Action Center. The Community Inn night shelter on Winchester Road and the day shelter on E 5<sup>th</sup> Street will then be combined and moved to that location. The zoning for the building on Industry Road permits a day and night shelter. Divine Providence will pay Lexington \$550,000 for the building and transfer ownership of a property on Fifth Street to LFUCG. The Community Inn has continued to operate at Winchester Road during the federal investigation and the civil lawsuit.

If the parties reach a final settlement, they will file a motion to dismiss the Circuit Court appeal. If settlement cannot be reached, the parties must move the court to return the appeal to the court's active docket.

- ***U.S. v. Andover Forest Homeowners Assoc., Inc.*, Civil Action No. 5:14-cv-00459 (E.D. Ky.) (complaint filed Dec. 23, 2014; dismissed with prejudice March 21, 2016).**

The Department of Justice filed this action on behalf of a couple and their minor child (Complainants) against a homeowners' association and the property management company of Andover Forest, a/k/a the Brighton Place Subdivision, a residential development consisting of 481 single-family homes in Lexington. (The property management company manages more than 7,000 homes in homeowner associations in Fayette and surrounding counties.)

The complaint alleged that the minor child has a disability (cerebral palsy) and that the parents, in consultation with medical providers installed on their property a 12 X 8 feet playhouse equipped with features designed to aid in the child's therapy. The defendants notified the homeowners that under the neighborhood's declarations and covenants the playhouse was an unauthorized structure. Complainants alleged that they requested a reasonable accommodation to keep the structure, but on May 18, 2011, were informed by Defendants that the playhouse was prohibited and were ordered to remove it.

The Complainants, through their attorney, appealed the HOA's decision and provided written supporting documents including a formal request for a "reasonable accommodation or modification of a housing policy," an article about the benefits of a therapeutic playhouse, supporting documents from the child's speech therapist and physical therapist, and a letter of medical necessity from the child's doctor. Again, the HOA concluded that the playhouse was a prohibited structure.

On February 27, 2012, the Complainants filed a fair-housing complaint with HUD alleging, among other things, that the HOA and property management company had failed to grant their request for a reasonable accommodation and modification. The HOA's board of directors then passed a resolution granting the Complainants' request to keep the playhouse but subject to the homeowner's meeting certain conditions such as providing medical updates for the child. The Complainants rejected the HOA's offer and attempts at mediation by HUD failed.

The case garnered state-wide and national attention. In the Kentucky state legislature, a bill named "Cooper's Law" (House Bill 160) in honor of the child at the center of the controversy, was introduced that would nullify deed restrictions on small outdoor structures deemed medically necessary for children 12 and younger. The bill's sponsors hoped to preserve the civil and property rights of those families with young children who need access to structures in, or near, their home that might not otherwise be permitted by deed restrictions. The bill

passed a House committee in 2012, but was never called for a vote and did not pass the General Assembly in 2012.

Subsequently, the family removed the playhouse and moved into a new home out of the neighborhood in July 2014, but continued to pursue their HUD complaint against the HOA and property management company. In November 2014, HUD issued a Charge of Discrimination finding there was reasonable cause to believe Defendants had engaged in unlawful discrimination and retaliation in violation of the FHA. Defendants elected to have the claims asserted in the HUD Charge resolved in a civil action in accordance with 42 U.S.C. § 3612(a).

However, on March 21, 2016, the United States dropped the lawsuit against the Defendants by filing a joint stipulation of dismissal. The HOA said that the case was dismissed because medical documents used to support Complainants' allegations were not authentic, as documents had been altered or never prepared by the medical provider whose name was on them.

- ***U.S. v. Pendencygraft, Civil Action No. 5:15-cv-00293 (E.D. Ky) (complaint filed Sept. 29, 2015; consent order Feb. 26, 2016).***

Defendant Pendencygraft owned (jointly with his wife/co-defendant) and managed five rental properties in Lexington, including the subject property. On March 18, 2011, the complainant, Ms. Clark, entered into a written lease agreement to rent a furnished bedroom at the subject property on a weekly basis. From March 2011 through the termination of Complainant's tenancy on August 5, 2011, Defendant Pendencygraft subjected Ms. Clark to what was described as severe, pervasive, and unwelcome sexual harassment (including unwanted sexual touching, entering her room without notice or permission, offering housing benefits like reduction in rent in exchange for sexual favors, and threatening to evict her if she refused his advances). Complainant became behind in her rent and Defendant Pendencygraft filed for eviction, which was granted by the Fayette County District Court on August 5, 2011. Complainant then vacated the subject property.

On May 23, 2012, Ms. Clark filed a complaint with the Lexington-Fayette Urban County Human Rights Commission ("LFUCHRC"), who referred the matter to HUD. In accordance with 42 U.S.C. §§ 3610(a) and (b), the Secretary of HUD conducted an investigation of the complaint, attempted conciliation without success, and prepared a final investigative report determining that reasonable cause existed to believe that illegal discriminatory housing practices had occurred. On August 24, 2015, the Secretary issued a Charge of Discrimination pursuant to 42 U.S.C. § 3610(g)(2)(A), charging the Defendants with engaging in discriminatory practices on the basis of sex in violation of the FHA. The Complainant elected

to have the claims resolved in a district court action, and the United States Department of Justice filed suit in the Eastern District of Kentucky on behalf of her.

Defendants agreed to settle the Complainant's and DOJ's claims through a Consent Order, entered by the court on February 26, 2016. At the time of the settlement, Defendants represented that they did not currently own, rent or manage any residential rental properties. Under the terms of the settlement, in the event that Defendant Pendency owns, in whole or in part, any residential rental properties in the future, he must retain an independent management company, approved by the United States and familiar with the requirements of the FHA, to manage the rental of any and all residential rental properties owned, in whole or in part, by Defendant Pendency. The Management Company will be responsible for all aspects of management of the future properties and Defendant Pendency may not enter the premises of the rental properties except when accompanied by a management company agent. Defendant Pendency is otherwise enjoined from having any involvement in the management, rental, or maintenance of any other residential rental units not owned by the Defendants.

The Consent Decree also required Defendants to pay Complainant \$5,000, and imposed other education/training and reporting requirements. The court retains jurisdiction to enforce the terms of the Consent Decree for three years from its effective date.

## Hate Crimes

Hate crimes are crimes committed because of a bias against race, religion, disability, ethnicity, sexual orientation, or gender identity. In an attempt to determine the scope and nature of hate crimes, the Federal Bureau of Investigation's (FBI) Uniform Crime Reporting Program collects statistics on these incidents, including what kind of hate crimes are committed and by whom. Persons who commit hate crimes can face time in prison, large fines or both, especially for violent acts, serious threats of harm, or injuries to victims. These same behaviors may also violate similar state and local laws, leading to additional punishment.

To a certain degree, hate crimes are an indicator of the environmental context of discrimination. They become a fair housing concern when residents are intimidated or harassed at their residence or neighborhood. Fair housing violations due to hate crimes also occur when people will not consider moving into certain neighborhoods, or have been run off from their homes for fear of harassment or physical harm. The Federal Fair Housing Act makes it illegal to threaten, harass, intimidate or act violently toward a person who has exercised their right to free housing choice. Some examples of illegal behavior include threats made in person, writing or by telephone; vandalism of the home or property; rock

throwing; suspicious fires, cross-burning or bombing; or unsuccessful attempts at any of these.

Note that hate crime data does not include actions or behaviors motivated by hate but protected by the First Amendment right to freedom of expression. Examples can include name calling, epithets, distribution of hate material in public places, and the display of offensive hate-motivated material on one’s property. The freedom guaranteed by the U.S. Constitution, such as the freedom of speech, allows hateful rhetoric as long as it does not interfere with the civil rights of others.

Reporting hate crimes is voluntary on the part of the local jurisdictions. Some states started submitting data only recently, and not all jurisdictions are represented in the reports. Many jurisdictions, including those with well-documented histories of racial prejudice, reported zero hate crimes. Another obstacle to gaining an accurate count of hate crimes is the reluctance of many victims to report such attacks.

In an attempt to determine the scope and nature of hate crimes, the Federal Bureau of Investigation’s (FBI) Uniform Crime Reporting Program collects statistics on these incidents. The FBI classifies hate crimes into one of five (5) primary bias motivation categories, including: race, religion, sexual orientation, ethnicity or disability.

For this analysis, crime statistics for the most recently available five-year period (2011-2014) were reviewed for trends that may indicate pervasive discriminatory attitudes in Lexington. Hate crime statistics compiled by the FBI show that a total of 108 hate crimes were committed in Lexington over a four-year period. No information was submitted by Lexington law enforcement agencies in 2010. The majority of the hate crimes committed in Lexington were based on race. In total, the second highest number of hate crimes reported during this time period was sexual orientation.

**LEXINGTON, KENTUCKY**

**Hate Crime Incidents  
per Bias Motivation by Year and**

**2011 - 2014**

YEAR	Number of incidents per bias motivation							Number of incidents per quarter				Population
	Race	Religion	Sexual orientation	Ethnicity	Disability	Gender	Gender Identity	1st quarter	2nd quarter	3rd quarter	4th quarter	
2011	9	0	2	1	0	0	0	0	0	3	9	297,847
2012	23	4	6	5	4	0	0	11	12	11	8	302,332
2013	16	1	5	4	1	0	0	5	10	10	2	308,712
2014	14	2	7	3	1	0	0	3	6	11	7	311,848
<b>TOTAL</b>	<b>62</b>	<b>7</b>	<b>20</b>	<b>13</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>28</b>	<b>35</b>	<b>26</b>	

Source: U.S. Department of Justice Federal Bureau of Investigation, <https://www.fbi.gov/about-us/cjis/ucr/ucr-publications#Hate>

## Analysis of Community Input

---

LFUCG conducted significant public outreach to gather input from citizens, LFUCG staff, non-profit agencies, housing developers, local service providers, government agencies, the Housing Authority, and others. To identify community development and housing priorities, LFUCG held three public meetings at various times and locations throughout Lexington, conducted a communitywide survey, and interviewed key stakeholders not able to attend a meeting.

Data gathered from community meetings, interviews, stakeholders, and residents revealed several community needs related to housing including need associated with rehabilitation and the condition of affordable housing:

- Rental and homeownership affordability
- Reduce substandard affordable housing
- Homeowner rehabilitation/ accessibility improvements
- Code enforcement and clean-up of substandard properties
- Energy efficiency improvements
- Other areas of housing need included homeless and homelessness prevention services, housing for special populations, and affordability:
- Group housing, supportive housing, and homeless shelters
- Food security and hunger
- Housing for special populations (people with disabilities, senior, ex-offenders)
- Housing vouchers
- Homeless needs – day center, transitional housing, food, mental health services, personal hygiene products
- Housing needs – energy efficiency improvements, more affordable housing, short term rental assistance to prevent homelessness
- Accessible housing units
- Group homes with supportive services for people with disabilities

Other identified needs included community improvements and economic development needs:

- Economic development in low income neighborhoods
- Youth programs
- Collaboration between local organizations/agencies
- Economic development, revitalized local businesses
- Assistance for the working poor (childcare, rental assistance, literacy programs)

## Survey of Residents

Additional evaluation of perceptions related to fair and affordable housing in Lexington was conducted via a community survey designed to gather insight into the knowledge, experience, opinions, and feelings of local residents, employees, and service providers. A total of 156 residents completed the survey. Findings are summarized below and complete results are available in an appendix to this document.

### Respondent Demographics

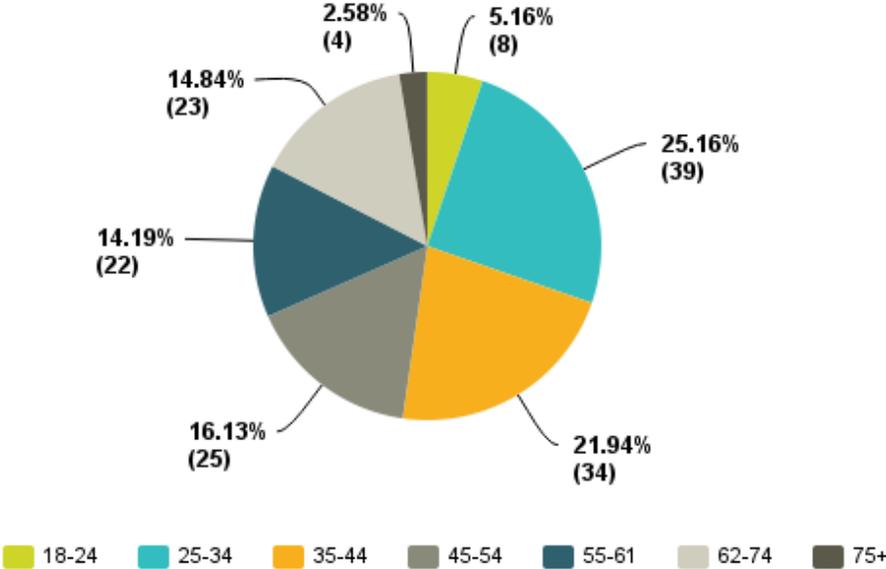
The most frequent response rates came from the following zip codes: 40508, 40502, 40503, 40515, and 40509.

Answer Choices	Responses	
40502	9.68%	15
40503	9.03%	14
40504	7.10%	11
40505	8.39%	13
40506	0.00%	0
40507	3.23%	5
40508	10.32%	16
40509	8.39%	13
40510	0.65%	1
40511	9.03%	14
40512	0.65%	1
40513	1.29%	2
40514	3.23%	5
40515	9.03%	14
40516	0.65%	1
40517	7.74%	12
Other (please specify)	11.61%	18
<b>Total</b>		<b>155</b>

The majority of the survey’s 156 respondents identified as White (85.16%), while nearly 1 in 10 (9.68%) identified as African American. Over 40% of survey respondents were between the ages of 25 and 44. The lowest age response group was 2.58% for frail elderly (age 75+) residents.

### Q2 Which is your age group?

Answered: 155 Skipped: 1



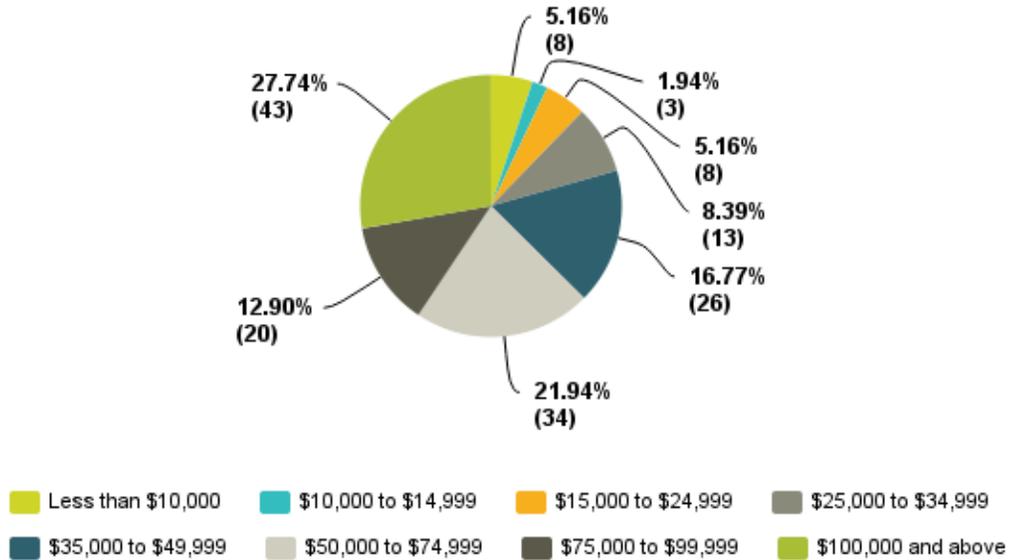
The most widely reported occupations were educational services, health care and social assistance (26.92%), finance, insurance, and real estate (21.79%), and professional, scientific, and management (14.1%), representing over 62%, or over half of survey respondents.

<b>Answer Choices</b>	<b>Responses</b>	
Agriculture, forestry, fishing, hunting, and mining	<b>1.92%</b>	3
Construction	<b>2.56%</b>	4
Manufacturing	<b>0.64%</b>	1
Wholesale trade	<b>0.00%</b>	0
Retail trade	<b>2.56%</b>	4
Transportation, warehousing, and utilities	<b>2.56%</b>	4
Information	<b>1.28%</b>	2
Finance, insurance, and real estate	<b>21.79%</b>	34
Professional, scientific, and management	<b>14.10%</b>	22
Educational services, health care, and social assistance	<b>26.92%</b>	42
Arts, entertainment, accommodation and food services	<b>5.13%</b>	8
Public administration	<b>7.05%</b>	11
Other services	<b>8.97%</b>	14
Not currently working/retired	<b>8.33%</b>	13
Other (please specify)	<b>20.51%</b>	32
<b>Total Respondents: 156</b>		

A large percentage of survey respondents were primarily from middle to upper middle class income groups with over 60% of households earning \$50,000 or more annually. However, over 11%, more than 1 in 10, of survey respondents were lower income with incomes of \$24,999 or less per year. The graph below depicts income distribution for survey respondents.

### Q3 What is your total household income?

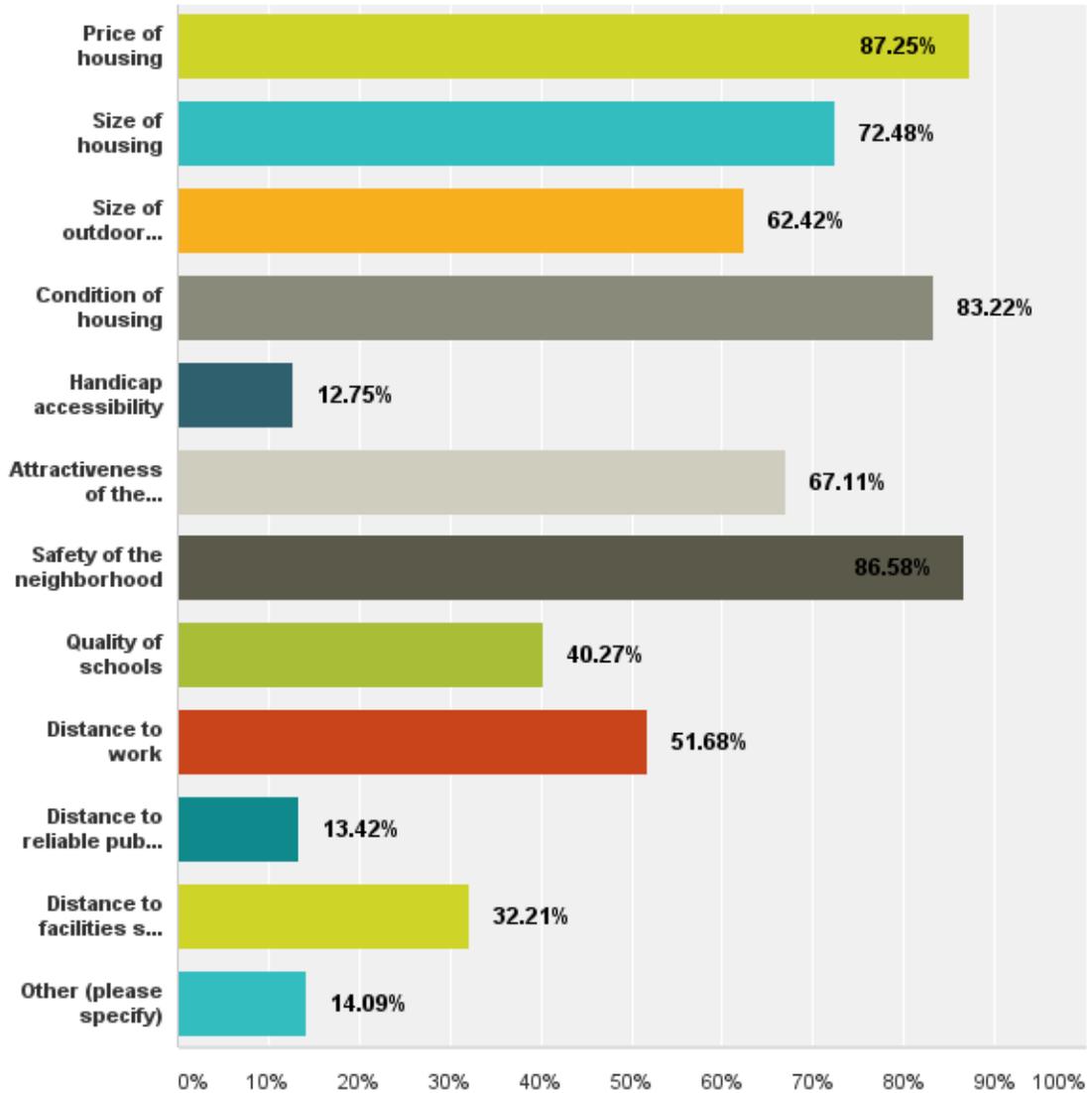
Answered: 155 Skipped: 1



Respondents were asked to identify which factors were important when seeking a place to live. The top three factors were: price of housing (87.25%), safety of the neighborhood (86.58%), and condition of housing (83.225).

**Q11 Which of the following are important to you in choosing a place to live?  
(CHECK ALL THAT APPLY)**

Answered: 149 Skipped: 7



	<b>No more is needed</b>	<b>Some more is needed</b>	<b>A lot more is needed</b>	<b>I don't know</b>	<b>Total</b>	<b>Weighted Average</b>
Housing for people with disabilities	<b>2.76%</b> 4	<b>28.97%</b> 42	<b>42.07%</b> 61	<b>26.21%</b> 38	145	1.87
Housing for seniors	<b>9.59%</b> 14	<b>32.19%</b> 47	<b>34.25%</b> 50	<b>23.97%</b> 35	146	1.77
Housing that people with lower incomes can afford	<b>4.83%</b> 7	<b>21.38%</b> 31	<b>63.45%</b> 92	<b>10.34%</b> 15	145	2.38
Housing that accepts Section 8 vouchers	<b>12.59%</b> 18	<b>18.18%</b> 26	<b>46.85%</b> 67	<b>22.38%</b> 32	143	1.90
Apartments	<b>31.43%</b> 44	<b>27.86%</b> 39	<b>25.00%</b> 35	<b>15.71%</b> 22	140	1.62
First time homebuyer assistance	<b>5.56%</b> 8	<b>28.47%</b> 41	<b>49.31%</b> 71	<b>16.67%</b> 24	144	2.10

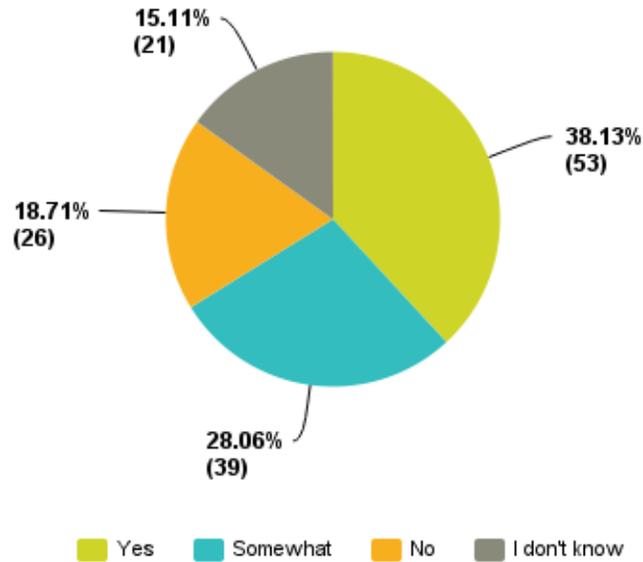
Respondents were asked to rank housing needs in relation to types of housing and meeting the needs of special populations. The top three housing needs identified as “a lot more is needed” by respondents were: housing that people with lower incomes can afford (63.45%), first time home buyer assistance (49.31%), and housing that accepts Section 8 Vouchers (46.85%).

	<b>Equally provided</b>	<b>Not equally provided</b>	<b>I don't know</b>	<b>Total</b>	<b>Weighted Average</b>
Roads	<b>56.34%</b> 80	<b>30.28%</b> 43	<b>13.38%</b> 19	142	1.17
Bus service	<b>19.01%</b> 27	<b>59.86%</b> 85	<b>21.13%</b> 30	142	1.39
Water/sewer	<b>65.96%</b> 93	<b>9.93%</b> 14	<b>24.11%</b> 34	141	0.86
Parks	<b>56.74%</b> 80	<b>33.33%</b> 47	<b>9.93%</b> 14	141	1.23
Schools	<b>42.55%</b> 60	<b>46.10%</b> 65	<b>11.35%</b> 16	141	1.35
Police protection	<b>50.70%</b> 72	<b>33.80%</b> 48	<b>15.49%</b> 22	142	1.18
Fire protection	<b>66.20%</b> 94	<b>13.38%</b> 19	<b>20.42%</b> 29	142	0.93
Code enforcement	<b>38.73%</b> 55	<b>40.85%</b> 58	<b>20.42%</b> 29	142	1.20
Garbage collection	<b>65.49%</b> 93	<b>20.42%</b> 29	<b>14.08%</b> 20	142	1.06

Respondents were asked to rank whether or not public resources and amenities were evenly distributed. Bus services (59.86%), schools (46.10%), and code enforcement (40.85%) were identified as not equally provided. Fire protection (66.20%), water/sewer (65.96%), and garbage collection (65.49%), were identified as equally distributed.

## Q24 Do you think housing discrimination is an issue in Lexington-Fayette County?

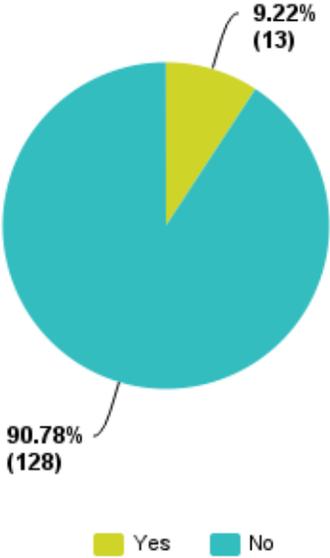
Answered: 139 Skipped: 17



More than 1 in 3 respondents answered “yes” to housing discrimination being an issue in Lexington and more than 1 in 5 answered that housing discrimination is “somewhat” of an issue.

**Q19 Since living in Lexington-Fayette County, have you experienced housing discrimination?(The following actions are examples of housing discrimination if they are based on race, ethnicity, national origin, sex, whether you have children, or whether you have a disability: refusing to rent or sell housing, refusing to discuss the rental or sale of housing, denying that housing is available for rent or sale when it is, setting different rental or sale terms, or providing different housing or housing services.)**

Answered: 141 Skipped: 15



Nearly 1 in 10 respondents (9.22%), reported experiencing housing discrimination. Most respondents felt the discrimination came from a landlord or property owner (84.62%). The top reasons reported included race (33.33%) and familial status (33.33%), i.e. single parent. However, only 7.69% of respondents reported that they made a report regarding housing discrimination with the top reason for not making a report being not knowing what good a report would do (41.67%). A vast number of respondents (23.94%) reported not knowing where to file a fair housing complaint and 9.14% of respondents reported not knowing their fair housing rights.

## Impediments and Recommendations

---

In the *Fair Housing Planning Guide*, HUD defines an impediment to fair housing choice as an action, omission or decision based on race, color, religion, sex, disability, familial status, or national origin that restricts or has the effect of restricting housing choices or the availability of housing choices.<sup>37</sup> Throughout this assessment various community issues have surfaced, both positive and negative. Some of these issues represent general community needs (e.g. the uniqueness of the needs of urbanized areas and those of the rural desert communities) and, while valid, do not restrict or have the effect of restricting housing choice and thus do not constitute impediments.

For this analysis, qualitative data received in the form of input from interviews and community meetings was combined with quantitative data from the U.S. Census and from the other sources consulted. In some cases, the quantitative data collected from a single source was clear and compelling enough on its own to indicate the existence of an impediment. In other cases, and particularly with the use of qualitative data, the cumulative effect of a comment or criticism repeated many times over in many different settings was sufficient to indicate a barrier. Sometimes a weak or inconclusive correlation of quantitative data from one source could be supported by public comments and input or data from another source to constitute an impediment.

In this section, the impediments identified are summarized with supporting information. Each impediment listed is followed by recommendations, the implementation of which will correct, or begin the process of correcting, that impediment. A common theme found in many of the recommendations is the use of collaborative partnerships from the private and public sectors.

### Impediment #1: Lack of Accessible/Special Needs Housing

Throughout the development of this analysis, residents and key stakeholders consistently mentioned that the current housing stock is not adequate to serve the needs of special needs populations including disabled and elderly residents. A significant number of survey respondents reported that housing for disabled residents was needed “a lot” (42.07%) or somewhat (20.97%) and senior housing was needed “a lot” (34.24%) or “somewhat” (32.19%). The purchase of rental apartment complexes by new companies has displaced or decreased the availability of disabled housing per several stakeholder and resident reports. A major barrier to providing accessible housing in Lexington is older housing stock being too costly to retrofit with handicapped accessible features. Many stakeholders and residents

---

<sup>37</sup> U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 2: Preparing for Fair Housing Planning, Page 2-17)*. March 1996.

have described affordable housing as substandard, and therefore, more likely to be non-accessible. Disabled and senior residents may also require additional supportive services, such as, case management, daily living, and navigational support in addition to structural modifications.

### **Recommendations:**

Organizations that serve persons with physical and mental disabilities, seniors, and residents with behavioral health issues are important advocates. These organizations and persons with disabilities and the elderly should be engaged as participants in housing strategy development to ensure that policies, programs, and potential funding streams are identified and included that will result in the development or rehabilitation of housing that is accessible and affordable for special needs populations. These projects should also be planned to include supportive services including counseling, case management, navigational support, assistance with activities of daily living, memory care, and socialization activities that are essential to these populations, as appropriate. LFUCG can also explore ways to incorporate special needs housing into projects supported by LFUCG's Affordable Housing Fund. LFUCG should also:

- *Review taxation codes and implement tax exemptions for making adaptations to make a home more accessible for persons with disabilities.*
- *Conduct an assessment of accessible housing units and buildings in the region for the purpose of developing an inventory of accessible housing and providing that information to the public.*
- *Work with local housing organizations to provide a wide variety of housing services, including services to the disabled.*
- *Meet with design specialists to require and encourage housing designs that consider the needs of the disabled and other special needs populations.*
- *Provide builders and developers with information about the advantages of providing housing for this market.*

### **Impediment #2: Cost of Housing Limits Housing Choice**

The quantitative data obtained from the Census Bureau and HUD, supported by comments provided by residents, key stakeholders, and the Community Survey, demonstrate that a significant number of households in Lexington have insufficient income to afford appropriate housing and frequently exceed the recommended HUD guideline of spending no more than 30% of income on housing.

Research shows that members of protected classes are more likely to face difficulties affording housing. Minority households tend to have lower incomes. Additionally, members of protected classes, including minorities, female householders, households with children,

and disabled residents, are more likely to reside in public housing or use housing choice vouchers than the population overall. Residents and stakeholder reports indicated long waiting lists for vouchers and subsidies, difficulty with having landlords accept vouchers or subsidies, and substandard housing and poor housing conditions in housing that met HUD affordability guidelines-further limiting housing choice for low-income residents and the protected classes.

**Recommendations:**

LFUCG and its public and private sector partners should develop a long-term strategy that would serve as an ongoing affordable housing vision and that would set measurable short and long-term goals for housing production, preservation, and continued affordability. The strategy should be developed using public input and participation to increase community and stakeholder alignment and the overall success of establishing and implementing this plan and should build from the successes of the Affordable Housing Fund in forging partnerships and fiscal resources. LFUCG's housing strategy should serve as the guiding affordable housing planning instrument containing housing goals and objectives that are to be followed and are contained in both the Consolidated Plan and its Annual Action Plans. It is critical that additional non-HUD funding streams be identified and made available.

As a first step in developing a long-term affordable housing strategy, LFUCG should create a Housing Task Force with participation from the LFUCG, private developers and lenders, nonprofit advocacy groups, established and regional Fair Housing organizations (i.e. the Human Rights Commission and the Fair Housing Council), and community representatives from throughout Lexington. The Task Force should utilize information already collected and available through this analysis, from the Consolidated Plan 2016-2020, and other pertinent data sources that include input from residents and stakeholders, especially subpopulations and members of protected classes.

The strategy should focus on collaborative partnerships among task force members and other parties, which can work together to access and invest resources necessary to provide appropriate types of affordable and accessible housing for residents of Lexington. The Task Force should include representatives from organizations that serve persons who are members of Protected Classes under the Fair Housing Act and special needs populations. The Task Force should continually monitor progress in achieving plan goals on an annual basis and report this information to LFUCG and Lexington residents.

To provide a mechanism to implement the plan, LFUCG should partner with private sector housing developers and lenders, municipalities, newly established and regional Fair Housing organizations, nonprofit organizations and representatives from other community organizations from all parts of Lexington to develop programs and funding options that will

provide new and rehabilitated affordable rental housing for lower income and protected class households. LFUCG should also:

- *Encourage private developers to construct affordable housing.*
- *Determine locations for the development of affordable housing and work with local non-profits to acquire land for affordable units.*
- *Continue Homeownership Programs throughout the jurisdiction, providing homeownership opportunities to low-and moderate- income persons.*
- *Implement an inclusionary zoning policy aiding in the development of affordable housing.*
- *Continue the use of Community Development Block Grant Funds (CDBG) and HOME Investment Partnership Funds (HOME) for housing rehabilitation activities to maintain the regions affordable housing stock.*
- *Work with housing organizations to continue efforts and collaborations on affordable housing and other fair housing needs.*

### **Impediment #3: High Concentrations of Low Income Housing with decreased access to areas of opportunity**

Community meetings, stakeholder interviews, and field observations indicated high concentrations of low-income housing in specific areas of Lexington. Residents of these communities were more likely to be racial and ethnic minorities. Segregation in Lexington is moderate, but the opportunity indices show that African Americans tend to live in neighborhoods with lower opportunity levels than whites for all groups (total population, poverty, children, and children in poverty). This reality is especially demonstrated in relation to the poverty index, school proficiency index, and labor market engagement index, and is indicative of resident and stakeholder reports and opinions expressing that resources tend to be of better quality and more accessible in higher income neighborhoods than others. A majority of respondents say bus service, schools, parks, and code enforcement are not equally provided. Field observations and stakeholder and resident reports indicated substandard housing, food deserts, and lack of access to shopping and neighborhood amenities in low-income and minority neighborhoods.

In relation to housing, the RCAP/ECAPs have a higher vacancy rate versus Lexington as a whole, and also contain older homes and less homeownership. Field observations revealed many abandoned or substandard housing units. Subsidized housing is heavily concentrated in RCAP/ECAPs, including public housing, households using housing choice vouchers, and project based Section 8 units. Stakeholders and residents reported landlords in some areas who would not accept Section 8 vouchers, further concentrating low-income housing.

### **Recommendations:**

Lexington has made significant efforts in de-concentrating low-income housing including two HOPE VI projects. LFUCG should continue to pursue innovative strategies for comprehensive neighborhood revitalization, balancing community development needs in low-opportunity areas with the need to also invest in affordable, accessible housing in higher-opportunity areas.

- *Dedicate HUD funding to concentrated low-income areas and RCAP/ECAP areas, to provide infrastructure improvements, home-buyer education programming, and down payment assistance.*
- *Focus future development of new affordable housing outside RCAP/ECAP areas/communicate this strategy to developers and non-profit partners/prioritize funding to projects achieving this goal.*
- *Encourage the de-concentration of poverty by expanding areas where housing vouchers may be used/educate and provide incentives to landlords.*
- *Develop an evaluation tool to monitor planning and public investments by local and regional entities and advocate for opportunities to provide public infrastructure that promotes housing choice in areas of opportunity.*

### **Impediment #4: Mortgage Lending Practices Reduce Homeownership Opportunities for Racial and Ethnic Minorities**

According to Home Mortgage Disclosure Act (HMDA) data regarding mortgage lending, minority applicants for home purchase loans were denied mortgages more frequently than non-Latino Whites, with African Americans having approval rates of 81.7% compared to 88.5% for Whites. A comparison of loan outcomes by applicant race/ethnicity shows that Whites have higher approval ratings than African Americans in all income groups.

### **Recommendations:**

LFUCG should pursue the following strategies:

- *Perform testing in areas where data indicate disparities for housing loan approvals among Whites and African Americans, and other non-white racial and ethnic groups*
- *Engage the public by holding public meetings that are held at times and locations convenient to the general public and ensuring that accommodations are accessible to all persons*
- *Outreach efforts should be conducted to ensure that minority households have sufficient access to and information about homebuyer counseling and other forms of assistance.*
- *Educational and outreach efforts to minorities should specifically focus on predatory lending practices*

- *Study or audit mortgage lending and underwriting practices to determine if any “predatory” lending or discriminatory practices limit Fair Housing Choice.*
- *Advocacy and intervention by the Human Rights Commission that monitors fair housing compliance, investigates individual claims of discrimination, and brings enforcement actions when necessary*
- *Publicize fair housing enforcement actions, lawsuits, and education to help focus attention on lender practices that violate fair housing laws*

HMDA data also shows that debt-to-income ratios, poor credit history, and lack of collateral were the main reasons for loan denial indicating poor financial history of potential homebuyers which can inhibit homeownership and decrease housing affordability (due to increased interest rates). LFUCG should pursue the following strategies to ensure fair housing choice in relation to home ownership:

**Recommendations:**

- *Implement financial management programs and identify resources for financial counseling and training for residents to learn financial responsibility including how to have good credit, finding financial resources, and making good financial choices.*
- *Continue to implement Homeownership Programs to assist families with homeownership opportunities and in obtaining employment allowing low-and moderate – income persons to become self-sufficient.*

## Conclusion

---

This Analysis of Impediments to Fair Housing Choice identifies potential barriers to housing choice for Lexington residents. The barriers may also prevent residents from realizing their right to fair and equitable treatment under federal and State of Kentucky fair housing laws. It is important that Lexington residents who are members of protected classes under these laws know their fair housing rights and understand the steps that they may take if they believe that they have experienced housing discrimination.

The recommendations proposed in this document address the following impediments: the lack of fair housing education, the cost of housing and housing conditions, concentrations of affordable housing in certain parts of Lexington, disparities in access to home mortgage loans, and accessible and special needs housing. The implementation of the recommendations in this report can assist LFCUG in providing a supportive environment for achieving fair housing choice for all of its residents.

LFUCG will pursue fair housing choice for its residents, using the recommendations presented in this report that address the identified impediments. However, LFUCG cannot bring about the change necessary to reduce or remove these impediments to fair housing choice acting alone. To fully achieve the objective of housing choice for all, LFUCG needs the support and engagement of private and public sector stakeholders and partners, fair housing agencies, and the residents of Lexington.