Lexington-Fayette Urban County Government

200 E. Main St
Lexington, KY 40507

Tuesday, June 29, 2021

3:00 PM

Packet

Council Chamber

Urban County Council Work Session

Urban County Council
Schedule of Meetings
June 28, 2021 – July 5, 2021

Monday, June 28
No Meetings

Tuesday, June 29
Redistricting Committee Special Meeting……………………………………………………………10:30 am
Conference Room – 5th Floor Government Center

Budget, Finance & Economic Development Committee……………………………………………1:00 pm
Council Chamber – 2nd Floor Government Center

Council Work Session…………………………………………………………………………………………3:00 pm
Council Chamber – 2nd Floor Government Center

Wednesday, June 30
Exaction Credit Advisory Committee………………………………………………………………………1:30 pm
Conference Room – 3rd Floor Phoenix Building

Rural Land Management Board……………………………………………………………………………3:00 pm
Video Teleconference

Thursday, July 1
Redistricting Committee Special Meeting……………………………………………………………10:30 am
Conference Room – 5th Floor Government Center

Friday, July 2
Senior Services Commission…………………………………………………………………………………8:30 am
Senior Center – 195 Life Lane

Monday, July 5
LFUCG Offices Closed – July 4th Holiday

Lexington-Fayette Urban County Council
Work Session Agenda
June 29, 2021

I. Public Comment - Issues on Agenda

II. Requested Rezonings/ Docket Approval – No

III. Approval of Summary – yes, p. 1-3

- **a** Table of Motions: Council Work Session, June 22, 2021

IV. Budget Amendments – No

V. New Business – Yes, p. 4-15

VI. Continuing Business/ Presentations

- **a** Committee Summary: Budget, Finance & Economic Development, March 16, 2021, p. 16-22
- **b** Presentation: Lexington Workforce Resource Center; By: Elodie Dickinson, p. 23-32
- **c** Presentation: Task Force on Neighborhoods in Transition Report Out; By: Council Member James Brown and Hilary Angelucci, p. 33-61

VII. Council Reports

VIII. Mayor's Report – No

IX. Public Comment - Issues Not on Agenda

X. Adjournment

Administrative Synopsis - New Business Items

a	**0626-21**	Authorization to enter into a service agreement with Zip Express for mail delivery Monday-Friday mornings from Lexington USPS locations to the Government Center Mailroom. (To begin July 1, 2021 with indefinite one (1) year renewals). Funds are budgeted. (L0626-21) (Conrad/Baradaran) p. 4
b	**0633-21**	Authorization to enter into an agreement with the Fayette Fiscal Court accepting and establishing funding for Fiscal Year 2022 County Road Aid projects in the Rural Service Area. The estimated amount of the funds is $761,089. The LFUCG Department of Environmental Quality & Public Works needs this action to accept and spend the funds for resurfacing, maintaining and emergency projects on county roads in the Rural Service Area of Fayette County. (L0633-21) (Burton/Albright) p. 5
c	**0634-21**	Authorization to approve the Reimbursement Resolution to allow approved spending on the attached list of Capital Improvement bond projects, which was budgeted and approved in the FY2022 budget. (L0634-21) (Hensley) p. 6
d	**0637-21**	Authorization to execute a Sub-recipient Agreement awarding $205,730 of Local Recovery Funds from the American Rescue Plan Act to the Lexington-Fayette Urban County Human Rights Commission for FY 2022. (L0637-21) (Lanter/Hamilton) p. 7
e	**0649-21**	Authorization to execute a Temporary Right of Entry with The Reserve at Eden, LLC, authorizing entry upon LFUCG property at 2019 Russell Cave for construction of a sanitary sewer line and appurtenances to the sanitary sewer system. (L0649-21) (Lubeck/Albright) p. 8
f	**0650-21**	Authorization to execute a Sub-recipient Agreement awarding $170,000 of Local Recovery Funds from the American Rescue Plan Act to NAMI Lexington for FY 2022 for operation of the Fayette Mental Health Court. (L0650-21) (Lanter/Hamilton) p. 9
g	**0655-21**	Authorization to execute individual Sub-recipient Agreements with the Lyric Theater and Cultural Arts Center, LexArts, and Explorium of Lexington awarding a total of $577,500 of Local Recovery Funds from the American Rescue Plan Act to mitigate financial hardship resulting from the COVID-19 public health emergency.(L0655-21) (Lanter/Scott) p. 10
h	**0656-21**	Authorization to accept award for Fire Training Incentive Grant in an amount up to $3,333,170 for FY 2022 from the Commission on Fire Protection, Personnel, Standards, and Education for Training Incentives for Firefighters. BA is process. (L0656-21) (Wells/Armstrong) p. 11
i	**0657-21**	Authorization to execute an amendment to an existing agreement with Benevate Inc., for use of Neighborly Software in the Division of Grants & Special Programs adding an additional 30 licenses at a cost not to exceed $57,000. Funds are budgeted. (L0657-21) (Lanter/Hamilton) p. 12

j	**0658-21**	Authorization to accept award for Police Training Incentive Grant in an amount up to $3,534,166 for FY 2022 from the Kentucky Justice and Public Safety Cabinet under the Kentucky Law Enforcement Foundation Program Fund. BA is in process. (L0658-21) (Weathers/Armstrong) p. 13
k	**0659-21**	Authorization to accept grant award and to execute agreement from the Kentucky Transportation Cabinet in the amount of $200,000 for the Northeast New Circle Road Corridor Plan. Local grant match in the amount of $50,000 required. BA in process. (L0659-21) (Duncan/Atkins) p. 14
l	**0660-21**	Authorization to accept grant funds and to execute agreement from the Kentucky Transportation Cabinet in the amount of $120,000 for the East Lexington Trail Connectivity & Traffic Safety Study. Local grant match in the amount of $30,000 is required and included in the FY22 adopted budget. (L0660-21) (Duncan/Atkins) p. 15

URBAN COUNTY COUNCIL
WORK SESSION
TABLE OF MOTIONS
June 22, 2021

Mayor Gorton called the meeting to order at 3:00pm. All Council Members were present.

I. Public Comment – Issues on Agenda

II. Requested Rezonings/Docket Approval

Motion by Ellinger to approve the June 24, 2021 Council meeting docket. Seconded by Plomin. Motion passed without dissent.

Motion by LeGris to place ordinance #8 (An Ordinance changing the zone from a Planned Neighborhood Residential (R-3) Zone to a Highway Service Business (B-3) Zone, for 0.99 net (1.46 gross) acre, from a Light Industrial (I-1) Zone to a Planned Neighborhood Residential (R-3) Zone, for 5.72 net (6.72 gross) acres, and from a Light Industrial (I-1) Zone to a Mixed Use (MU-2) Zone, for 3.10 net (4.50 gross) acres, for property located at 508-619 De Roode St., 564 & 568 McKinley St., 555-565 Merino St., 800 & 833 Neville St., 565-637 Patterson St. (portions of odd addresses only), and 813 & 816 Pine St.) without a public hearing. Seconded by Ellinger. Motion passed without dissent.

III. Approval of Summary

Motion by Kay to approve the June 15, 2021 work session summary. Seconded by Ellinger. Motion passed without dissent.

IV. Budget Amendments

Motion by Plomin to approve budget amendments. Seconded by Kay. Motion passed without dissent.

V. New Business

Motion by Plomin to approve new business. Seconded by Kay. Motion passed without dissent.

VI. Continuing Business/Presentations

CM F. Brown provided a summary of the May 18, 2021 Environmental Quality & Public Works meeting. There were no motions to report from the meeting.

Council Member F. Brown provided a partial report of the June 22, 2021 Environmental Quality & Public Works Committee meeting.

Motion by F. Brown to approve a resolution requesting that the Mayor negotiate an agreement with Kentucky Utilities Company related to clear cutting or removing trees in certain areas of Lexington-Fayette County. Seconded by Ellinger. Motion passed with a 13 - 2 as amended. Kay, Moloney, Ellinger, J. Brown, McCurn, LeGris, Sheehan, Kloiber, Worley, Baxter, Bledsoe, Reynolds and Plomin voted yes. Lamb and F. Brown voted no.

Motion by Lamb to amended whereas #4 of the proposed resolution to remove "including requiring the undergrounding of existing above ground facilities at the expense of the utilities. Seconded by Ellinger. Motion passed without dissent.

There were no additional motions to report from the meeting at this time.

Council Member Lamb provided a partial summary of the June 15, 2021 General Government & Social Services Committee meeting.

Motion by Lamb to approve a resolution of the Urban County Council adopting a diversity, equity and inclusion statement in order to create a more inclusive and equitable work environment, increase government accessibility and improve the ability to serve all residents. Seconded by Sheehan. Motion passed without dissent.

There were no additional motions to report from the meeting at this time.

Monica Conrad provided a presentation on the Shillito Park Aquatics Facility. There was no action taken on the item.

Mayor Gorton provided a presentation on the creation of a permanent Commission of Racial Justice & Equality.

Motion by F. Brown to refer the creation of a permanent Commission of Racial Justice & Equality to the Planning & Public Safety Committee. Seconded by McCurn. Motion failed with a 1-14. F. Brown voted yes. Kay, Moloney, Ellinger, J. Brown, McCurn, LeGris, Lamb, Sheehan, Kloiber, Worley, Baxter, Bledsoe, Reynolds and Plomin voted no.

Motion by J. Brown to approve the creation of a permanent Commission of Racial Justice & Equality. Seconded by Reynolds. Motion passed without dissent.

VII. Council Reports

Motion by Bledsoe to refer the issue of wrong way driving to the Environmental Quality & Pubic Works Committee. Seconded by LeGris. Motion passed without dissent.

Motion by J. Brown to place on the Council Meeting docket Thursday June 24, 2021, a resolution authorizing and directing the Mayor to execute an agreement with Believing in Forever, Inc., at a cost not to exceed $350. Seconded by McCurn. Motion passed without dissent.

VIII. Mayor's Report

Motion by Plomin to approve the Mayor's Report. Seconded by Kay. Motion passed without dissent.

IX. Public Comment – Issues Not on Agenda

X. Adjournment

Motion by Bledsoe to adjourn at 5:19pm. Seconded by Plomin. Motion passed without dissent.

SAM, 6/23/21

MAYOR LINDA GORTON

LEXINGTON

MONICA CONRAD
ACTING COMMISSIONER
GENERAL SERVICES

TO: Linda Gorton, Mayor
Urban County Council

FROM: (for Comm Conrad)
Monica Conrad, Acting Commissioner, General Services

CC: Jamshid Baradaran, Director Facilities & Fleet Management
Mackenzie Holt, Administrative Specialist Sr., General Services

DATE: June 14, 2021

SUBJECT: Authorization to approve a service agreement with Zip Express

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Request

Authorization to: Enter into a service agreement with Zip Express for mail delivery Monday-Friday mornings from Lexington USPS locations to the Government Center Mailroom. (To begin July 1, 2021 with indefinite one (1) year renewals)

Purpose of Request: To ensure mail is received early each day so that it can be sorted for all LFUCG divisions in a timely manner to prevent any delay with business function, deadlines, payments, etc.

What is the cost in this budget year and future budget years?

The cost for this FY is: N/A

The cost for future FY is: Approx. $2,500.00/yr.

Are the funds budgeted? Yes

Account number: 1101-707101-0001-71299

File Number: 0626-21

Director/Commissioner: Conrad/Baradaran

LEXINGTON

TO: Mayor Linda Gorton
Urban County Council

FROM: W. Douglas Burton, Director
Division of Engineering

DATE: June 14, 2021

SUBJECT: FY-2022 Fiscal Court Agreement

Request

Authorization for the Mayor to enter into an agreement with the Fayette Fiscal Court accepting and establishing funding for Fiscal Year 2022 County Road Aid projects in the Rural Service Area. The estimated amount of the funds is $761,089.

Why are you requesting?

The LFUCG Department of Environmental Quality & Public Works needs this action to accept and spend the funds for resurfacing, maintaining and emergency projects on county roads in the Rural Service Area of Fayette County.

What is the cost in this budget year and future budget years?

The cost for this FY is: N/A
The cost for future FY is: $761,089 – this agreement established the receipt of the funds.

Are the funds budgeted? Yes the funds have been budgeted.

File Number: 0633-21

Director/Commissioner: Burton/Albright

MAYOR LINDA GORTON

LEXINGTON

ERIN HENSLEY
COMMISSIONER
FINANCE

TO: Mayor Linda Gorton
Sally Hamilton, CAO
Urban County Council Members

FROM: Erin Hensley
Erin Hensley, Commissioner of Finance

DATE: June 15, 2021

SUBJECT: Reimbursement Resolution for FY2022 CIP Bond Projects

Request

Authorization of the Reimbursement Resolution to allow approved spending on the attached list of Capital Improvement bond projects which was budgeted and approved in the FY2022 Budget.

Why are you requesting?

Department needs this action completed because: This resolution provides a mechanism for the projects to move forward prior to the sale of the bonds. Expenses incurred by the Bond Projects will be paid from the Funding Account. Upon the sale of the bonds later this fiscal year, the Funding Account will be reimbursed. The practice of approval of a reimbursement resolution is consistent with the prior practice and is a generally accepted mechanism in the accounting community.

What is the cost in this budget year and future budget years?

The cost for this FY is: $1,400,000 in Debt Service (FY2022)

The cost for future FY is: $2,800,000 yearly Debt Service for 20 years

Are the funds budgeted?

The funds are budgeted

Account number: 1101-141401-1680-78401

File Number: 0634-21

Commissioner: Hensley

MAYOR LINDA GORTON

LEXINGTON

CHARLIE LANTER
DIRECTOR 0637-21
GRANTS & SPECIAL PROGRAMS

TO: **LINDA GORTON, MAYOR**
URBAN COUNTY COUNCIL

FROM: **CHARLIE LANTER, DIRECTOR**
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: **June 16, 2021**

SUBJECT: **Sub-recipient agreement awarding$205,730 of federal American Rescue Plan Act funding to the Lexington-Fayette Urban County Human Rights Commission**

Request: Council authorization to execute a Sub-recipient Agreement awarding $205,730 of Local Recovery Funds from the American Rescue Plan Act to the Lexington-Fayette Urban County Human Rights Commission for FY 2022.

Purpose of Request:
The FY 2022 Approved Budget provides for $205,730 of Local Recovery Funds from the American Rescue Plan Act (ARPA) to support the operating costs of the Lexington-Fayette Urban County Human Rights Commission. This is an eligible government service provided under the Revenue Recovery provision of the ARPA funding. The agency will continue to safeguard all individuals within Lexington-Fayette County from discrimination based on race, color, religion, national origin, sex, age, disability, familial status and sexual orientation/gender identity in connection with housing, employment and public accommodations and to effect the provisions and purposes of the Kentucky Civil Rights Act (KRS Chapter 3444), Urban County Ordinances 199-94 and 201-99, provision 7.17 of the Lexington-Fayette Merger Charter of 1974, and any other laws enacted by the Lexington-Fayette Urban County Government relating to the Commission.

What is the cost in this budget year and future budget years?
Available funding in Fiscal Year 2022 is $205,730

Are the funds budgeted?
Yes, funds are in the FY2022 Budget.

File Number: 0637-21

Director/Commissioner: Lanter/Hamilton

MAYOR LINDA GORTON

LEXINGTON

CHARLES H. MARTIN, P.E.
DIRECTOR
WATER QUALITY

TO: Mayor Linda Gorton
Urban County Council

FROM :

Gregory S. Lubeck, P.E., Deputy Director
Division of Water Quality

DATE: June 15, 2021

SUBJECT: Right of Entry Agreement

Request

The purpose of this memorandum is to request approval of a Right of Entry agreement between the Lexington-Fayette Urban County Government (LFUCG) and the The Reserve at Eden for the construction of a sanitary sewer line and appurtenances on LFUCG owned property located at 2019 Russell Cave Rd.

Purpose of Request

The Reserve at Eden is requesting Right of Entry to construct a sanitary sewer connecting a new development at 2020 Russell Cave Rd. to the existing LFUCG sanitary sewer system on 2019 Russell Cave Rd.

Project Cost in FY22 and in Future Budget Years

The Reserve at Eden has agreed to pay LFUCG six hundred fifty dollars and 00/100 ($650.00) for the Right of Entry. No future costs are anticipated.

Are Funds Budgeted

This request has no budgetary impact.

.Martin/Albright

MAYOR LINDA GORTON

LEXINGTON

CHARLIE LANTER
DIRECTOR 0650-21
GRANTS & SPECIAL PROGRAMS

TO: **LINDA GORTON, MAYOR**
URBAN COUNTY COUNCIL

FROM: **CHARLIE LANTER, DIRECTOR**
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: **June 18, 2021**

SUBJECT: **Sub-recipient agreement awarding $170,000 of federal American Rescue Plan Act funding to NAMI Lexington**

Request: Council authorization to execute a Sub-recipient Agreement awarding $170,000 of Local Recovery Funds from the American Rescue Plan Act to NAMI Lexington for FY 2022 for operation of the Fayette Mental Health Court.

Purpose of Request:
The FY 2022 Approved Budget provides for $170,000 of Local Recovery Funds from the American Rescue Plan Act (ARPA) to support the operating costs of the Fayette Mental Health Court program operated by NAMI Lexington. This program is eligible for Recovery Funds in that it addresses disparities in public health exacerbated by the pandemic. The court is a diversion program similar to drug court, which seeks to treat nonviolent offenders with mental illness as an alternative to incarceration. Clients participate in intensive case management as part of their diversion.

What is the cost in this budget year and future budget years?
Available funding in Fiscal Year 2022 is $170,000.

Are the funds budgeted?
Yes, funds are in the FY2022 Budget.

File Number: 0650-21

Director/Commissioner: Lanter/Hamilton

MAYOR LINDA GORTON

LEXINGTON

CHARLIE LANTER
DIRECTOR 0655-21
GRANTS & SPECIAL PROGRAMS

TO: **LINDA GORTON, MAYOR**
URBAN COUNTY COUNCIL

FROM: **CHARLIE LANTER, DIRECTOR**
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: **June 18, 2021**

SUBJECT: **Sub-recipient agreement awarding federal American Rescue Plan Act funding to the Lyric Theater, LexArts, and Explorium of Lexington**

Request: Council authorization to execute individual Sub-recipient Agreements with the Lyric Theater and Cultural Arts Center, LexArts, and Explorium of Lexington awarding a total of $577,500 of Local Recovery Funds from the American Rescue Plan Act to mitigate financial hardship resulting from the COVID-19 public health emergency.

Purpose of Request:
The FY 2022 Approved Budget provides for awards of Local Recovery Funds from the American Rescue Plan Act (ARPA) to mitigate financial hardship resulting from the COVID-19 public health emergency at the following organization and amounts:

• LexArts	$325,000
• Lyric Theater and Cultural Arts Center	$127,500
• Explorium of Lexington	$125,000

These programs are eligible for Recovery as a response to the negative economic impacts of the COVID-19 pandemic on these organizations and their operations to account for declines in revenue and/or periods of closure.

What is the cost in this budget year and future budget years?
Available funding in Fiscal Year 2022 is $577,500.

Are the funds budgeted?
Yes, funds are in the FY2022 Budget.

File Number: 0655-21

Director/Commissioner: Lanter/Hamilton

TO: LINDA GORTON, MAYOR
URBAN COUNTY COUNCIL

FROM: CHARLIE LANTER, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: JUNE 21, 2021

SUBJECT: Fire Training Incentive for Fiscal Year 2022

Request: Council authorization to accept award for Fire Training Incentive Grant in an amount up to $3,333,170 for FY 2022 from the Commission on Fire Protection, Personnel, Standards, and Education for Training Incentives for Firefighters.

Purpose of Request: Fire Training Incentive funds are used to provide eligible firefighters with supplemental pay for participation in training programs. Supplemental pay in the amount of $4,000 for each eligible firefighter (597 estimated sworn positions) is provided for a total of $2,388,000. In addition, the program contributes up to 39.58% of that total towards the pension of participants, totaling $945,170.

What is the cost in this budget year and future budget years? Grant funds for Fiscal Year 2022 total $3,333,170 with no local match required. Future years' funding is dependent upon availability of grant funding.

Are the funds budgeted? Budget amendment for Fiscal Year 2022 is in process.

File Number: 0656-21

Director/Commissioner: Wells/Armstrong

LEXINGTON

TO: **LINDA GORTON, MAYOR**
URBAN COUNTY COUNCIL

FROM: **CHARLIE LANTER, DIRECTOR**
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: **JUNE 21, 2021**

SUBJECT: Request Council authorization to add additional liceneses for Neighborly Software for use in the Housing Stabilization Program.

Request: Council authorization to execute an amendment to an existing agreement with Benevate Inc., for use of Neighborly Software in the Division of Grants & Special Programs adding an additional 30 licenses at a cost not to exceed $57,000.

Purpose: On September 12, 2019 (Resolution 484-2019), Council authorized execution of a contract with Benevate, Inc., for implementation of Neighborly Software in the Division of Grants and Special Programs. This software is used for program and financial administration of the division's federally funded programs. Benevate, Inc., was selected in response to Request for Proposals (RFP # 23-2019) issued in June 2019 for software for HUD Community Development Programs.

Neighborly has added additional functionality to serve the Housing Stabilization Program and will now be used by both Grants & Special Programs staff and partner staff at Community Action Council to operate the program. All expenses are paid with federal grant funds.

What is the cost in this budget year and future budget years?

The cost for this FY is: $57,000

The cost for future FY is: $72,000 for full-year licenses. Paid for with grant funds. Licenses will be dropped when the program ends.

Are the funds budgeted? Yes. Funds are budgeted as follows:

FUND	DEPT ID	SECT	ACCOUNT	PROJECT	BUD REF	ACTIVITY	AMOUNT
3230	160201	0001	71299	CV_ERAP_2021	2021	FED_GRANT	$57,000

File Number: 0657-21

Director/Commissioner: Lanter/Hamilton

TO: **LINDA GORTON, MAYOR**
URBAN COUNTY COUNCIL

FROM: **CHARLIE LANTER, DIRECTOR**
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: **JUNE 21, 2021**

SUBJECT: **Police Training Incentive for Fiscal Year 2022**

Request: Council authorization to accept award for Police Training Incentive Grant in an amount up to $3,534,166 for FY 2022 from the Kentucky Justice and Public Safety Cabinet under the Kentucky Law Enforcement Foundation Program Fund.

Purpose of Request: Police Training Incentive funds are used to provide eligible police officers with supplemental pay for participation in training programs. Supplemental pay in the amount of $4,000 for each eligible officer (estimated 633 sworn positions eligible) is provided for a total of $2,532,000. In addition, the program contributes up to 39.58% of that total towards the pension of participants, totaling $1,002,166.

What is the cost in this budget year and future budget years? Grant funds for Fiscal Year 2022 total $3,534,166 with no local match required. Future years' funding is dependent upon availability of grant funding.

Are the funds budgeted? Budget amendment for Fiscal Year 2022 is in process.

File Number: 658-21

Director/Commissioner: Weathers/Armstrong

TO: **LINDA GORTON, MAYOR**
URBAN COUNTY COUNCIL

FROM: **CHARLIE LANTER, DIRECTOR**
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: **JUNE 21, 2021**

SUBJECT: **Northeast New Circle Road Corridor Plan**

Request: Council authorization to accept grant award and to execute agreement from the Kentucky Transportation Cabinet in the amount of $200,000 for the Northeast New Circle Road Corridor Plan. Local grant match in the amount of $50,000 required.

Purpose of Request: The Lexington Area Metropolitan Planning Organization (MPO) has programmed $200,000 in Surface Transportation Block Grant – Lexington (STBG-SLX) federal highway funds for the Northeast New Circle Road Corridor Plan as part of the MPO's FY 2021-2024 Transportation Improvement Program.

The scope of the project includes consultant services to develop a coordinated corridor land use plan and transportation study for the signalized portion of Northeast New Circle Road. The primary purpose of the study is to identify how land use changes and incremental densification of the corridor will result in needed transportation improvements and how transportation improvements may spur and enhance redevelopment. The study will identify opportunities for intensifying residential and mixed land uses along the corridor; identify potential impacts and solutions for transit, non-motorized and vehicular travel that will result from more intensive land uses; estimate the cost and recommend phasing of needed transportation improvements; develop a regulatory framework for implementing the plan; and facilitate public and stakeholder engagement.

Cost in this Budget year and future budget years: Total cost is $250,000. Federal funding is $200,000 in FY 2022. Match of $50,000 has been included in the FY22 adopted budget. There are no anticipated planning costs in future budget years.

Are the funds budgeted? FY2022 budget amendment is in process.

File Number: 0659-21

Director/Commissioner: Duncan/Atkins

TO: **LINDA GORTON, MAYOR**
URBAN COUNTY COUNCIL

FROM: **CHARLIE LANTER, DIRECTOR**
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: **JUNE 21, 2021**

SUBJECT: **East Lexington Trail Connectivity & Traffic Safety Study**

Request: Council authorization to accept grant funds and to execute agreement from the Kentucky Transportation Cabinet in the amount of $120,000 for the East Lexington Trail Connectivity & Traffic Safety Study. Local grant match in the amount of $30,000 is required and included in the FY22 adopted budget.

Purpose of Request: The Lexington Area Metropolitan Planning Organization (MPO) has programmed $120,000 in Surface Transportation Block Grant – Lexington (STBG-SLX) federal highway funds for the East Lexington Trail Connectivity & Safety Study as part of the MPO's FY 2021-2024 Transportation Improvement Program.

The scope of the project includes consultant services to determine an alignment for a shared use trail from Third Street / Isaac Murphy Memorial Art Garden (IMMAG) to the existing Brighton Rail Trail in east Fayette County. The study will be coordinated with multimodal roadway improvements planned for construction along Liberty Road both inside and outside New Circle Road. The study will evaluate off-road trail alignments paralleling Liberty Road, including along active and inactive rail corridors. It will also evaluate alignments along roadways, including Liberty Road and Winchester Road, and recommend any vehicular and trail-related improvements needed to improve safety. The study will include detailed traffic and engineering analysis of improvements on Winchester Rd at the intersection of Midland Ave and Third Street to provide for improved vehicular safety and intersection geometrics; safe pedestrian and bicycle crossings; improved freight movements to adjacent industrial properties; and a visual gateway to downtown and East End neighborhoods.

C**ost in this Budget year and future budget years:** Cost in FY 2022 is $150,000 ($120,000 in federal funds and $30,000 in grant match budgeted in FY22). There are no anticipated planning costs in future budget years.

Are the funds budgeted? FY2022 budget amendment is in process.

File Number: 0660-21

Director/Commissioner: Duncan/Atkins

Budget, Finance & Economic Development Committee
March 16, 2021
Summary and Motions

Committee chair, Council Member Amanda Bledsoe, called the meeting to order at 1:01 p.m. Committee members Vice Mayor Steve Kay and Council Members Richard Moloney, Chuck Ellinger, James Brown, Susan Lamb, Preston Worley, Fred Brown, and Kathy Plomin were present. Council Member Josh McCurn was absent.

Note: Agenda item (IV.) Industrial Revenue Bond Fee Schedule Amendments was reported to the council on March 16, 2021, at Work Session and agenda item (V.) Proposals for use of Coronavirus Relief Funds and Fund Balance – Small Business Economic Stimulus Program were reported to the council on Tuesday, April 6, 2021, at Work Session.

Bledsoe read the following statement: “Due to the COVID-19 pandemic and State of Emergency, this meeting is being held via live video teleconference pursuant to 2020 Senate Bill 150, and in accordance with KRS 61.826, because it is not feasible to offer a primary physical location for the meeting."

Motion by Ellinger to move agenda item IV to be the first item for discussion; seconded by Lamb. The motion passed without dissent. (J. Brown was absent for this vote.)

IV. Industrial Revenue Bond Fee Schedule Amendments

John Merchant, Partner at Dinsmore and Shohl LLP, explained how LFUCG is the conduit issuer for 501c3 borrowers who are coming to the government to issue bonds. He said the city’s fees to do this have always been high. Merchant looked at other conduit issuers in the area to make LFUCG's fees in line with other conduit issuers. The draft ordinance sets the parameters for the issuer's fee, outlining $2,500 for the application fee and 10 basis points for the issuance fee (with a minimum of $10,000 and a maximum of $50,000). These bonds are not limited to 501c3s, it applies to any entity issuing bonds under KRS 103.200 through 103.285 but it is most commonly used by 501c3s.

Lamb mentioned how there used to be a lot of these types of transactions for the city; she hopes this amendment will spark more. J. Brown and Merchant discussed not having an application fee if there is a significant community benefit. Merchant said lots of municipalities charge a fee but some don’t, confirming it’s possible to waive the fee. The application fees currently go towards other economic development efforts such as the industrial authority.

Motion by Lamb to approve the ordinance [amending the industrial revenue bond fee schedule] in the packet; seconded by J. Brown. The motion passed without dissent. (Plomin was absent for this vote.)

Motion by Lamb to report this out today, March 16, 2021, at Work Session; seconded by Kay. The motion passed without dissent. (Plomin was absent for this vote.)

I. Approval of February 23, 2021 Committee Summary

Motion by Kay to approve the February 23, 2021, Budget, Finance, and Economic Development Committee summary; seconded by Ellinger. The motion passed without dissent. (Plomin was absent for this vote.)

II. Monthly Financial Update – February 2021

The monthly financial report is for information only; it showed net profit and payroll withholding continuing to exceed expectations and predictions. Bledsoe said the next quarterly financial update will take place at the Budget Committee of the Whole (COW) on April 27, 2021. No action was taken on this item.

February 2021 YTD Actual Compared to Adopted Budget:

Revenue Category	Actual	Budget	Variance	% Var
OLT- Employee Withholding	140,838,311	125,339,487	15,498,824	12.4%
OLT - Net Profit	19,179,813	13,225,493	5,954,320	45.0%
Insurance	26,444,306	25,458,940	985,366	3.9%
Franchise Fees	16,777,171	17,444,875	(667,704)	-3.8%
TOTALS	203,239,601	181,468,795	21,770,806	12.0%

February 2021 YTD/February 2020 YTD Current Year Compared to Prior Year:

Revenue Category	Feb-21	Feb-20	Variance	% Var
OLT- Employee Withholding	140,838,311	140,895,782	(57,471)	0.0%
OLT - Net Profit	19,179,813	14,480,163	4,699,650	32.5%
Insurance	26,444,306	26,199,513	244,793	0.9%
Franchise Fees	16,777,171	17,254,686	(477,515)	-2.8%
TOTALS	203,239,601	198,830,144	4,409,457	2.2%

FY2021 – Cash Flow Variance Revenue (Actual to Budget)

For the eight months ended February 28, 2021				
	Actuals	**Budget**	**Variance**	**% Var**
Revenue	-	-	-	-
Payroll Withholding	**140,838,311**	**125,339,487**	**15,498,824**	**12.4%**
Net Profit	**19,179,813**	**13,225,493**	**5,954,320**	**45.0%**
Insurance	**26,444,306**	**25,458,940**	**985,366**	**3.9%**
Franchise Fees	**16,777,171**	**17,444,875**	**(667,704)**	**-3.8%**
Other Licenses & Permits	**4,398,311**	**4,352,233**	**46,078**	**1.1%**
Property Tax Accounts	**24,867,537**	**24,833,673**	**33,864**	**0.1%**
Services	**14,848,863**	**15,277,890**	**(429,027)**	**-2.8%**
Fines and Forfeitures	**140,520**	**168,667**	**(28,147)**	**-16.7%**
Intergovernmental Revenue	**173,526**	**313,259**	**(139,733)**	**-44.6%**
Property Sales	**104,249**	**190,000**	**(85,751)**	**-45.1%**
Investment Income	**65,544**	**712,068**	**(646,524)**	**-90.8%**
Other Income	**1,603,074**	**1,652,436**	**(49,362)**	**-3.0%**
Total Revenues	**$249,441,225**	**$228,969,021**	**$20,472,204**	**8.9%**

<u>FY2021 – Cash Flow Variance Expense (Actual to Budget)</u>

For the eight months ended February 28, 2021	Actuals	Budget	Variance	% Var
<u>Expense</u>				
Personnel	140,522,242	147,641,616	7,119,374	4.8%
Operating	26,241,015	37,543,781	11,302,766	30.1%
Insurance Expense	(1,830,652)	992,069	2,822,721	284.5%
Debt Service	36,908,254	37,933,169	1,024,915	2.7%
Partner Agencies	13,107,395	13,839,847	732,452	5.3%
Capital	117,563	341,554	223,991	65.6%
Total Expenses	**$215,065,817**	**$238,292,036**	**$23,226,219**	**9.7%**
Transfers	**3,011,705**	**2,795,350**	**(216,355)**	**-5.4%**
Change in Fund Balance	**$31,363,703**	**($12,118,365)**	**$43,482,068**	

III. Economic Development Partnerships Update

a. Euphrates International Investment Co.

Euphrates was awarded new business development under the city's Economic Development Partnerships Services RFP. President Erran Persley first talked about his background in foreign and domestic investments. They currently have 11 projects in the pipeline worth about $1.2 billion in various sectors, of which four are fully operational. They plan to outline in their final report why businesses from outside the state are choosing Lexington. Three major project prospects they are working on are Endless Frontier, Big Horse, and Tanker. Persley described Endless Frontier as a game-changer if it happens. It's supported by legislation proposed by U.S. Senator Chuck Schumer that calls for $100 billion to be spent over five years, including 10 regional innovation technology hubs across the U.S. Lexington was ranked fourth as a potential site for one of those centers. A committee will submit a proposal once it becomes law. Persley wants Lexington to be in the top 25 cities for innovation technology, which would create high-paying jobs. Euphrates is working with small and minority businesses, assisting businesses with financing and other items such as business plans to help them be successful. The "Grow In Lexington" Platform is being created now through a public-private partnership with Euphrates and LFUCG to help small, women, minority and veteran-owned businesses enter new markets, both domestically and around the world. This should be ready for testing by the end of the month.

Bledsoe asked if the city has enough land and buildings, which Persley believes the supply is sufficient for the projects they have in the pipeline. He added that Lexington has a low supply of land, coupled with high price pressures. Lamb established that Persley plans to work with Commerce Lexington and LFUCG's minority business liaison to bring businesses to the Grow In Lexington Platform. The challenge will be getting small businesses on the platform. The current platform has about 1.2M users (businesses can have multiple users) and there is no limit for the number of users in Lexington.

Moloney asked about the timing of developing the 200 acres and the projects that are looking at that site. Persley explained the benefit of finding a client before the land is developed to help guide the development process. Moloney asked about helping people who want to start new businesses, which

Euphrates does, for example, through developing business plans and acquiring financing. Most of the projects on page 27 of the packet are start-ups.

J. Brown wants to make sure we have resources for small and minority-owned businesses, including financing and building capacity in regards to Lexington's business needs; he asked about Euphrates' strategies. Persley explained how outreach has been challenging this year and their plans to host webinars through the new platform in coordination with the city's minority business liaison. They discussed how Commerce Lexington already monitors what commercial properties are available so Persley coordinates with them and connects the information to Zoom Prospector (at the cabinet in Frankfort) to make sure folks at the state level can see what's available. He mentioned the new study on Lexington's boundaries and how Lexington characterizes properties is something we have to work on. J. Brown said the city is hinging a lot of the community's future on Coldstream, which is not shovel-ready, plus the city may have to absorb the infrastructure costs. Persley said it is too early to know how many jobs these major projects might bring to Lexington.

b. Commerce Lexington, Inc.

Commerce Lexington was awarded portions of the city's Economic Development Partnerships Services RFP related to business retention and expansion, and talent and workforce. An addendum was also added to their PSA for minority business development. Executive vice president, Gina Greathouse, explained how Commerce Lexington's primary funding source is their private sector capital campaign, done every five years. They focus on regional economic development and for Lexington, their goal is to increase the per capita income and city tax dollars and promote greater investment. The Business Education Network is also part of their PSA. The director recently joined the University of Kentucky's Economic Development Collaboratives Talent Subcommittee and is conducting a research project to inform their talent strategy.

Per the PSA addendum, Commerce Lexington is working to expand the minority business accelerator program by five to seven minority business enterprises by December 31, 2021. They are also implementing a prime contractor needs and alignment project to increase MBE capacity in trade. They have successfully coordinated 62 virtual company visits with various economic development and higher education representatives. Greathouse pointed out some trends they are seeing such as that workforce is still an issue, plus the competitive reality of land with infrastructure in place. She provided a list of Lexington businesses that relocated regionally and 18 other companies that are looking to expand and will consider moving outside of Lexington, which could present significant job loss for the city. She reviewed Commerce Lexington's contribution to the city by job creation, city revenue generation, and capital investment.

Lamb and Greathouse discussed how wages are tracked, which Commerce Lexington can provide averages for. They are also tracking the impact of COVID-19 and capital investment. Lamb mentioned the unintended consequences of the stimulus checks on the workforce and established that Commerce Lexington hasn't been able to do internships because of the pandemic.

Plomin pointed out recognition of the city of Lexington's economic development efforts in *Site Selection* magazine. Greathouse explained how the regional focus (Lexington's surrounding counties plus Frankfort and Mount Sterling) helps increase the workforce supply since Lexington is considered a small metro. By including the surrounding counties, there is a population of 700,000 people within 30 miles. They discussed the availability of vacant buildings and the limited availability of manufacturing and warehouse space. Greathouse expects the 200 acres to go quickly; she mentioned the need to plan beyond that development and the strategies used to develop the Bluegrass Business Park over 25 years (no small investments).

Moloney and Greathouse discussed companies whose first choice was Lexington but went to neighboring counties; price is a big factor. Moloney said he expects expenses to exceed revenues eventually and "jobs" need to the be number one strategy to combat that. He and Tyrone Tyra, Commerce Lexington's Senior Vice President, discussed his one-on-one engagement with minority businesses, with a focus on business development and access to capital with the Access Loan Program. Tyra meets with 100-150 people per year and that didn't change with the pandemic.

J. Brown said Commerce Lexington has been a beacon during the pandemic. J. Brown said bonding capacity holds some minority businesses back. He and Tyra talked about having a conversation with the city's minority liaison about this. Commerce Lexington currently refers people with bonding issues to the Small Business Administration bonding program.

Kay asked about understanding the impact of a business locating in Lexington versus a surrounding county, in terms of revenue but also the induced economic activity. Commerce Lexington has an economic impact model that shows the impact of a business and where they locate. Greathouse said there is a big significance in the economic impact of a business locating in Lexington versus outside and she could run an example to show that. Kay talked about regional development and how that should affect the city's recruitment strategies. Persley responded to an earlier question by Moloney and said the 50-acre plot did not work for the interested company, Tanker; they are interested in the future 200-acre land.

c. EHI Consultants & Urban League of Lexington-Fayette Co.

In partnership, the Urban League and EHI Consultants received the opportunity zone portion of the city's Economic Development Partnerships Services RFP. Ed Holmes, President of EHI, first explained how opportunity zones create a mechanism for investors to invest in neighborhoods. Lexington has seven opportunity zones, primarily in the urban core and around New Circle and Red Mile roads. The agencies are charged with analyzing this urban economic development tool to see how we can create opportunities. They are evaluating each census tract (or zone), drilling into demographics and land use. Holmes showed an example of their analysis of Census Tract 13, which includes reviewing vacant land, infill and redevelopment options, and the existing assets that may encourage an investor to get involved. They are also developing a marketing strategy and coordinating with opportunity zone fund managers, identifying what managers are out there.

Holmes mentioned the Neighborhoods in Transition Task Force's recommendations, such as a resource guide and for areas where resources should be focused to prevent involuntary displacement. Urban League and EHI will produce a report identifying the funds that could be invested into the community, largely through tax credits, which will be market-driven. He spoke about the effort to coordinate with neighborhood associations and community groups. Opportunity zones are good through 2026. Holmes said this is another tool to create or enhance development in our neighborhoods.

J. Brown commended the effort to incorporate work from the Neighborhoods in Transition Task Force into the RFP; adding that Urban League and EHI have local relationships in the community and understand the dynamics of these neighborhoods. He said this will help address issues around new investment while looking to prevent displacement but encourage economic opportunities for the business in these neighborhoods. The question is how to connect the assets and existing resources with investors who can work with the neighborhoods without a negative impact. Louisville had one successful opportunity zone project; they are difficult to implement and developers often have other options. Reversely, this could provide incentives for investors, for example around the Davis Park neighborhood.

Moloney mentioned the unique partnership between the Hope Center and the Lexington Housing Authority and their ability to use tax credits quickly as possible resource. Holmes' team is trying to identify opportunities and resources for these areas that could significantly benefit developers. They discussed unemployment, which has been as high as 15-17 percent in the opportunity zones. The unemployment rate in Lexington's urban areas are often more than double the rate for the city.

V. Proposals for use of Coronavirus Relief Funds and Fund Balance:

a. Small Business Economic Stimulus Program

Christina Baker, Legislative Aide for Council District 10, presented a small business stimulus package for 2021. The first Small Business Economic Stimulus Program distributed $2.5M July through September of last year. She showed the breakdown of employment sectors that highlights which sectors have been most affected by the pandemic. The proposal is for $5M for a small business economic stimulus forgivable loan program, designed to address the needs of the economy right now. Baker said the total budget could be split across two waves of funding from the new federal relief bill. She explained that using a forgivable loan, rather than a reimbursement grant, helps target those in need while also emphasizing the economic development aspect of the program, which focuses on employment and payroll.

Baker reviewed major components of the program, which are mostly the same as the first program, including a maximum award of $25,000. Commerce Lexington's Access Loan Committee will review the applications. The program will include a goal to disperse 50 percent of funds to minority and women-owned businesses. Businesses will be asked to submit a proposal outlining how the funds will maintain or increase payroll and or employment, which will establish the benchmark for loan forgiveness. Commerce Lexington will receive the applications directly to help eliminate some confusion that folks experienced in the first program. Loan forgiveness would be based on meeting employment/payroll goals by January 1, 2022. The proposal includes an increased administrative fee of 7.5 percent for Commerce Lexington to administer the program.

Worley talked about different scenarios in which these funds could benefit businesses and advocated that all of the support the program offers is good for the city, by way of increased revenue and individual spending. Plomin and Worley discussed using a sliding scale for the amount of funds that are forgiven if the business's goals are not attained, as they do not want the program to be punitive. The loan program speaks to economic development as opposed to just keeping the doors open. Plomin cautioned against an "all or nothing" mentality for loan forgiveness because it could take a business down.

Ellinger and Worley discussed the idea of gaining general agreement of the program on April 6, 2021, and potentially begin receiving applications in about one month. Federal funding is expected in the next couple of months so Worley suggested using budget stabilization funds for the first wave of funding with the promise to reimburse budget stabilization once federal funds are received. The Access Loan Committee will use a first come first serve process; applications would be received during a specific window and then the reviewing would begin. Ellinger confirmed Commerce Lexington will administer the program with an increased fee, which is based on the time needed to execute the 2020 program.

Worley emphasized Commerce Lexington's commitment to the program; they funded the last application that came in 2020 with their administrative fee when funds had run out.

Kay expressed concerns about the unknowns of the program such as modifying first come first serve and criteria such as balancing proposals that maintain jobs versus those increase jobs, as well as recapturing funds. He would like to know what expenses were incurred last time because he doesn't understand the increased fee, which would total $350,000 of the $5M program. Bledsoe compared the first program, which had multiple people and entities answering the phone, and said the increased fee would allow them to hire additional staff, be the main contact, and shepherd the administration of the program. She talked about the idea of moving forward with the first wave and holding the second wave for another date.

Lamb would like to see the resolution for the program, as well as how much funds are in budget stabilization currently. Tyra explained how the 2020 program took 100 percent of his time, 12-15 hours per day processing forms and calling businesses. Under the new program, they would also assist with loan clawbacks if goals aren't met. F. Brown is uneasy about expanding the program to $5M and questioned how many businesses participated last time with how many "we're still looking at."

Moloney asked how much federal relief funds the city anticipates and how $5M was determined. Worley explained it would double the program but it is based on the need, plus the city could get significantly more relief funds this time. Moloney advocated for the increased administrative fee, comparing it to 10 percent fees tied to other federal relief grants that the city manages, a standard with federal funds.

Motion by J. Brown to move this item forward to Work Session on April 6, 2021; seconded by Ellinger. The motion passed without dissent.

Bledsoe said a resolution will be prepared for review at Work Session, on April 6, 2021.

VI. Items Referred to Committee

No action was taken on this item.

Motion by Lamb to adjourn (at 3:11 p.m.); seconded by Ellinger. The motion passed without dissent.

Materials for the meeting:
https://lexington.legistar.com/MeetingDetail.aspx?ID=845895&GUID=727ED466-62E7-4989-809B-89F34BF31D4D&Options=info|&Search

Video recording of the meeting: http://lfucg.granicus.com/MediaPlayer.php?view_id=4&clip_id=5318

HBA 3/24/21

Lexington Workforce Resource Center

Lexington-Fayette Urban County Council

Work Session

June 29, 2021

LEXINGTON

Lexington Workforce Resource Center

<u>Why?</u>

- To create an accessible location that provides a one-stop shop for our residents to gain access to our Workforce Partners who provide job training and job placement opportunities.
- Goal is to make training opportunities accessible and available at the neighborhood level.
- To address Workforce Development Recommendations made in the Mayor's Commission on Racial Justice & Equality Report (Racial Equity Committee, Recommendation #3, <u>Establish a Job Training & Community Center</u>, Economic Opportunity Committee, Recommendation #6, <u>Create / enhance programs in the community to meet the demand of skilled tradespeople)</u>

<u>Where?</u>

- Workforce training room is located at Charles Young Center, 540 East 3rd St.
- Facility is owned by the city and managed by the Department for Social Services.

Lexington Workforce Resource Center

Who?

- Workforce Programming will be provided by eight (8) Workforce Partners in Lexington who have agreed to provide in-person job placement and job training opportunities to our residents living in and around Charles Young Center.
- Program will have the flexibility to expand if additional partners express and interest to participate.
- United Way of the Bluegrass will be also be a partner by providing a full-time person at Charles Young Center to provide social service referrals to those who come to the building for job placement opportunities.
- Services for residents are FREE!

Lexington Workforce Resource Center

What?

- A website has been created for this program: www.lexingtonky.gov/lexwork.
- An email (work@lexingtonky.gov) and phone line (859-258-WORK) are being created for questions related to the program.
- A monthly schedule of Workforce Partners providing services will be posted on the website and will be posted at Charles Young Center and other locations.
- Residents can register for an appointment on the website or walk-in to Charles Young Center.
- Typical hours of operation will be Monday-Thursday from 8 a.m. – 5 p.m. We have one Workforce Partner who will be available one Friday a month. Some times slots are not available but can be filled by Workforce Partners, based on public demand.

Lexington Workforce Resource Center

What?

- ❑ Memo of Agreements with Workforce Partners are being signed by workforce partners.
- ❑ Workforce Partners will be asked to report monthly numbers of residents who come to Charles Young Center for workforce programming.
- ❑ This program is a 6-month Pilot Project.

Lexington Workforce Resource Center

When?

- **Mark Your Calendars!!** Kick-Off Event and Program Start Date will be at 10:00 a.m. on Thursday, July 8, 2021 at Charles Young Center.
- Flyers for Kick-Off Event and Program Information will be distributed soon.

Lexington Workforce Resource Center
Next Steps & Budget

Next steps:

- ❑ Job Fair in gymnasium in Fall 2021
- ❑ Employer engagement at Charles Young Center
- ❑ Evaluation of program
- ❑ Possible expansion of model to other city-owned facilities

Budget:

- ❑ 6-month Budget = **$16,000**
  - Information Technology (IT) Infrastructure Needs
  - Job Readiness Supports (when job offer is made)

Urban League of
Lexington-Fayette County

BLUEGRASS COMMUNITY & TECHNICAL COLLEGE

Kentucky Career Center
Career Training Employer

To Our Partners, THANK YOU!

JUBILEE JOBS

KENTUCKY REFUGEE MINISTRIES, INC.

Lexington RESCUE MISSION
"Reaching Hearts...Changing Lives"

OWL Opportunity for Work & Learning

United Way

United Way
of the Bluegrass

Goodwill Industries of Kentucky

Questions?

LEXINGTON

LEXINGTON WORKFORCE RESOURCE CENTER

GRAND OPENING

Mayor Linda Gorton invites you to join us!

Thursday, July 8, 2021
10 – 11 a.m.

Charles Young Center
540 E. 3rd St., Lexington

– Workforce partners available on-site weekly
– Applications and resumes
– Job connections and placement
– Program referrals
– Job training opportunities

Visit lexingtonky.gov/lexwork for monthly calendar and programming information.

CONTACT | work@lexingtonky.gov or (859) 258-3026.

Walk-ins welcome – services are FREE!

SPECIAL THANKS TO OUR WORKFORCE PARTNERS:

OWL

Kentucky Career Center
Career Training Employer

JUBILEE JOBS

United Way
United Way of the Bluegrass

Lexington RESCUE MISSION
"Reaching Hearts...Changing Lives"

KENTUCKY REFUGEE MINISTRIES, INC.

Urban League of Lexington-Fayette County

BLUEGRASS COMMUNITY & TECHNICAL COLLEGE

Goodwill Industries of Kentucky

Task Force on Neighborhoods in Transition

Report Out

Work Session

June 29, 2021

Office of the
Urban County Council

Purpose & Scope of Work

Purpose — to identify ways to protect vulnerable residents from the consequences of neighborhood redevelopment and transformation especially displacement, with an emphasis on preserving the history and the culture of communities.

Scope of Work:

- Identify existing resources;
- Provide information/education to residents about homeownership/renting and the comprehensive plan/new process (rural/urban/suburban);
- Foster relations with residents and developers;
- Identify ways to protect and empower residents to learn about the history of a community;
- Identify characteristics of vulnerable neighborhoods;
- Develop policies/programs that support and empower residents and neighborhoods.

Involuntary Displacement

Involuntary Displacement — the most negative impact on neighborhoods in transition is that traditional residents and businesses are vulnerable to involuntary displacement, through:

- Rising rent;
- Rising property taxes; or
- Inability to make needed repairs mandated by the Division of Code Enforcement.

- The people most negatively impacted by this kind of neighborhood change are disproportionately low-income or disproportionately people of color, or both.

From Start to Finish

- Appointed in May 2018
- **23 Meetings**
- 29 Task Force members
- **2 Public forums**
- **Nearly all agendas/meetings with public comment**
- **1 Retreat and unconscious bias training**
- **2 Activities**
- 10 Presentations
- **1 Survey of the final report offered in English and Spanish**
- Last meeting June 22, 2021

Public Engagement

2018: 4 meetings	2019: 13 meetings	2020: 3 meetings	2021: 3 meetings

Who was at the table…

- Council Members
- Neighborhood Residents
- Habitat for Humanity
- Fair Housing Council
- Community Members
- Private Sector Urban Planners
- Property Owners & Landlords
- Council Staff
- Neighborhood Assc. Representatives
- Fay. Co. Public Schools
- Urban League
- Fay. Co. PVA
- North Limestone CDC
- Community Land Trust
- Human Rights Commission
- University of Kentucky
- Fayette Alliance
- The Public

<u>Plus LFUCG:</u>
Division of Planning
Dept. of Social Services
Law Department
Planning Commission
Infill and Redevelopment Committee

Transparency and Accessibility

- Website and Google Folder: All Task Force materials were stored in a google folder accessible through the website. This includes all meeting materials.

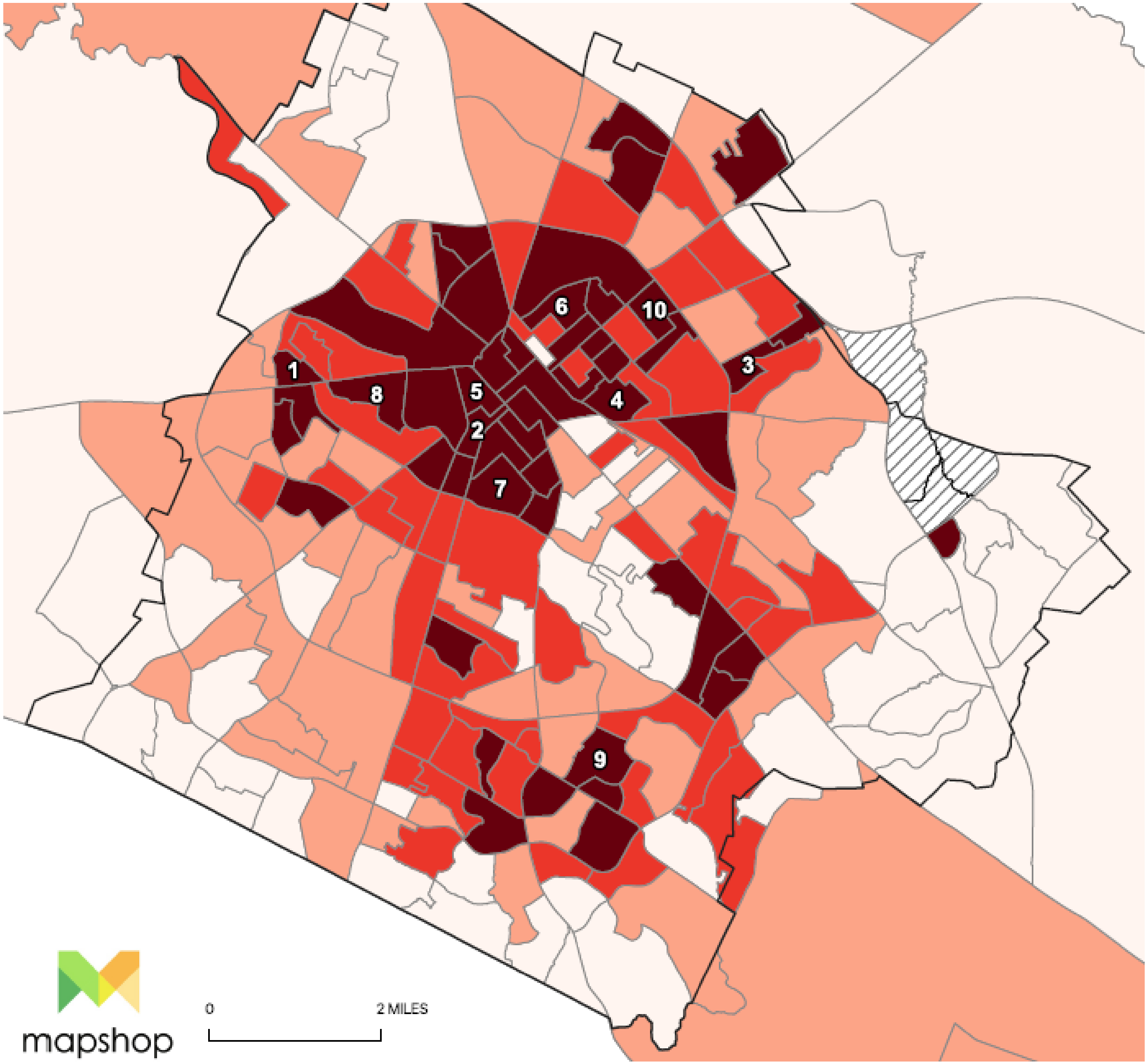
  https://www.lexingtonky.gov/task-force-neighborhoods-transition

- Resources shared from both Task Force members and the public were stored in the google folder for Task Force members and the public to access at any time.
- Meeting were held in locations that were accessible, many of which were held in the evening:
  - LexTran (Loudon Administrative Office)
  - Lexington Traditional Magnet School
  - Community Ventures
  - Lexington Senior Center

Public Engagement

- Community forum 1, October 2018: Over 80 residents were asked to participate in breakout table discussions and identify changes they are witnessing in their neighborhoods.
- Community forum 2, August 2019: Over 250 residents were asked to offer solutions or recommendations, with a focus on: neighborhood changes and redevelopment; safe and affordable housing; and Code Enforcement and policing.
- Public meetings and public comment: The majority of meetings were held in the evening to make the meetings more available for the public to attend and public comment was allowed at nearly all meetings.
- Public input survey, closed June 2021: The draft report was translated into Spanish and the survey was provided in Spanish. 54 surveys we collected provided feedback, one Spanish survey was completed.

1 of 4 Priority Area Maps



INCOME 2017 - 30% AMI

PERCENT OF HOUSEHOLDS <30% AMI

- 0% - 10%
- 11% - 21%
- 22% - 39%
- 40% - 78%
- URBAN SERVICE BOUNDARY
- NO DATA

ADDITIONAL DATA CONTEXT:

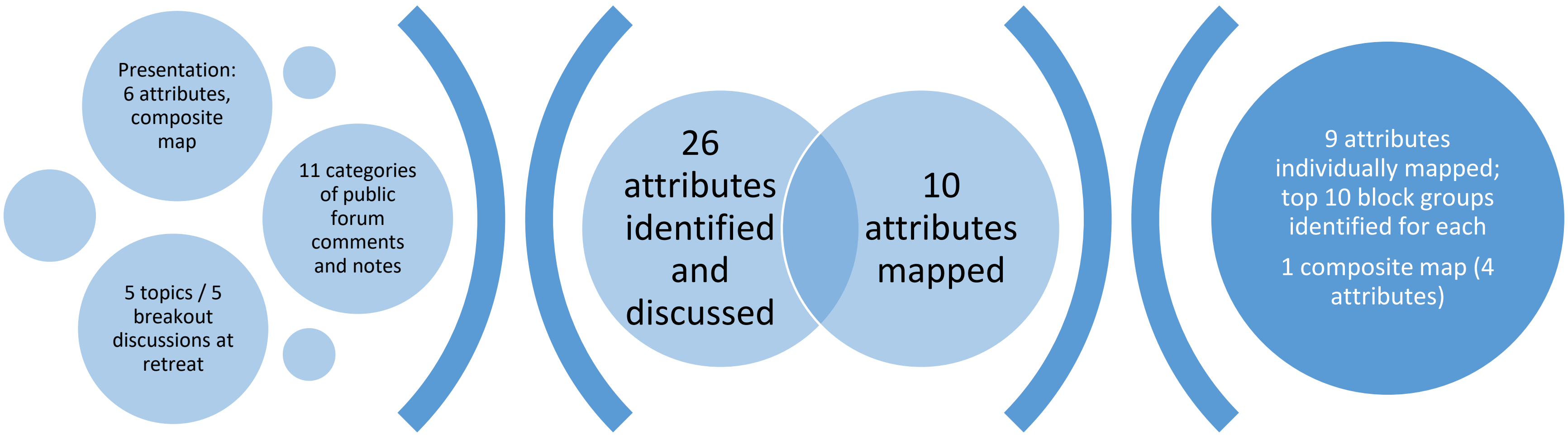
30% AMI = $25,750
80% AMI = $59,600
POVERTY LEVEL = $ 25,100
FAIR MARKET RENT 2BDR = $883
INCOME FOR MONTHLY HOUSING COSTS = $643*

TOP 10 CENSUS BLOCK GROUPS:

LABEL	TRACT	BLK GRP	PER <30%
1	002001	1	78.19
2	000900	3	76.63
3	003202	3	67.95
4	000400	2	67.82
5	000900	1	67.41
6	000200	1	66.41
7	000801	1	64
8	001900	1	63.96
9	003404	1	63.67
10	001400	1	63.26

Data sources: ACS 2017 5 year estimates, quartile classification scheme; HUD 2019 income and rent limits. *30% of income.

Transition: Pubic Input to Maps



September 2018 – January 2019

February 2019 – August 2019

November 2019: Draft Map Report

<u>Dot Activity - Top Six Attributes:</u>

- Household income and poverty level
- Decrease in owner-occupancy rate
- Property value and sale value;
- (Negative) perception of neighborhood
- Low performing schools
- (Displacement of) concentration of non-white population

*TF members and the public participated in this activity

Map Report & Priority Areas

- The Map Report: *Maps of Vulnerabilities to Displacement* contains 16 maps
- For about one year the Task Force worked to digest and transform public input, community familiarity, and expertise into maps to identify priority areas
- Priority areas: geographic areas to focus the Task Force's recommendations and where resources should be prioritized
- 4 attributes that contribute to a neighborhood's vulnerability to involuntary displacement – used to identify the initial priority areas:
    - Median income at less than 30 percent of area median income;
    - High minority population (non-white);
    - Low mean home sale price; and
    - Low owner-occupancy rate.

Other attributes that factor into displacement: 60 and 80 percent AMI, senior population, educational attainment (less than a high school diploma), and foreclosures. Future efforts should also look for areas seeing disproportionate real estate property transfers.

Recommendations

- The recommendations aim to help stabilize neighborhoods that market forces place at risk of neighborhood change, including involuntary displacement.
- The Task Force concluded that the best way to achieve stability,

  …without preventing positive neighborhood improvements,

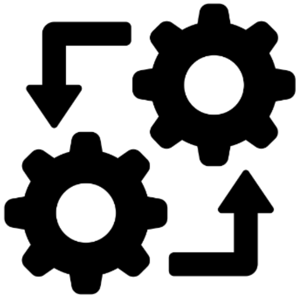
  …is to help provide necessary support—through programs, policies, and funding

  …that will enable residents and business owners to stay in their traditional neighborhoods, when doing so is their preference.

Recommendations – Section A

A. Modification of existing programs, policies, and procedures to lessen pressures on vulnerable neighborhoods;

11 Recommendations



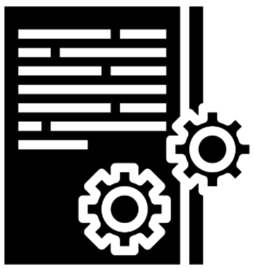
Broken down by:

- Planning
- Community & Resident Services
- Code Enforcement
- Affordable Housing

Example – Recommendation A4:

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

Recommendations – Section B



B. Implementation of new programs, policies, and procedures to lessen pressures on vulnerable neighborhoods;

12 recommendations

Examples

- Recommendation B10: Community & Resident Services should create an overall awareness campaign about all of the services they provide. (in process)
- Recommendation B11: Encourage local banks to invest and intentionally communicate with residents and businesses about resources that are available in their community (via Community Reinvestment ACT).

Recommendations – Section C

C. Increase in resources for the assistance and support of residents of neighborhoods vulnerable to involuntary displacement;

3 recommendations

Examples

- Recommendation C1: Division of Grants & Special Program should increase funding for the Housing Rehab Program to allow for more low-income families to participate in the program and shorten the wait time. (additional funds were budgeted FY2021)
- Recommendation C2: Amend Ordinance 103-2014 by increasing the amount of funding to be designated each fiscal year to the Affordable Housing Fund from $2 million to $3 million in FY2022 and identify a dedicated funding source for the Affordable Housing Fund that can grow with the needs of the community.

Recommendations – Section D

D. Support the recommendations made by the Commission of Racial Justice and Equality, Housing and Gentrification Subcommittee;

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

Recommendations – Section E

E. Identification of priority areas to focus resources dedicated to addressing involuntary displacement.

4 recommendations, 4 maps

Examples

- Recommendation E2: Identify priority areas on an annual basis using data and maps of several attributes that the Task Force has determined as contributing factors to a neighborhood's vulnerability to involuntary displacement.
- Recommendation E3: Monitor, analyze, and develop trends based on data related to attributes identified in recommendation E1 but not limited to, to enhance the identification of priority areas and support neighborhoods before individuals experience involuntary displacement.

Next Steps

- Read the Task Force's two final reports, which received approval on June 22, 2021:

Task Force on Neighborhoods in Transition Report

Map Report: Vulnerabilities to Displacement

- Council consider adopting a resolution that acknowledges the work of the Task Force and supports its recommendations
- Refer recommendations that fall under the responsibility of LFUCG to the Council's respective standing committees
- Work with the private sector and community organizations to implement recommendations that are beyond the scope of what LFUCG is responsible for

Questions?

Task Force on Neighborhoods in Transition

Report

June 24, 2021

LEXINGTON
Urban County Council

Recommendations

A. Modification of Existing Programs, Policies & Procedures
   - Planning
   - Community & Resident Services
   - Code Enforcement
   - Affordable Housing

B. New Programs, Policies & Procedures
   - Education/Outreach

C. Increase Resources

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

E. Identification of Priority Areas to Focus Resources
   - Priority Areas Maps

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

A. <u>Modification of Existing Programs, Policies & Procedures</u>

Planning

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

Community & Resident Services (formally Adult & Tenant Services)

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

Code Enforcement

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

Affordable Housing

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

B. New Programs, Policies, and Procedures

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

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

Education/Outreach

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

C. Increase Resources

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

3) Designate a new position in the proposed Department of Housing Advocacy and Community Development that reports directly to the commissioner and is responsible for:

    a. Staffing an on-going advisory committee for housing (composed of members from the Task Force and from the Commission on Racial Justice and Equality – Housing and Gentrification Subcommittee)

    b. Implementing and/or monitoring and reporting on progress related to the recommendations from the Task Force and from the Commission on Racial Justice and Equality – Housing and Gentrification Subcommittee;

    c. Analyzing and updating priority areas in partnership with LFUCG's GIS office and specifically executing recommendations in Section E – Identification of Priority Areas to Focus Resources.

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

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

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

E. Identification of Priority Areas to Focus Resources

1) Resources dedicated to addressing involuntary displacement and the Task Force's recommendations should focus on those most at risk of displacement within the priority areas. Resources are not restricted to these areas and should not be provided solely on the basis of membership of a protected class. However, prioritization allows resources to better reach some of the most vulnerable parts of the community to involuntary displacement.
2) Identify priority areas on an annual basis using data and maps of several attributes that the Task Force has determined as contributing factors to a neighborhood's vulnerability to involuntary displacement.
   a. Essential attributes to measure vulnerability to involuntary displacement:
      - Median Income at less than 30 percent of area median income
      - High minority population (non-white)
      - Low mean home sale price
      - Low owner-occupancy rate

      b. Other attributes to take into consideration are 60 and 80 percent AMI, senior population, educational attainment (less than a high school diploma), and foreclosures. To the extent possible, future efforts should also look for areas seeing disproportionate real estate property transfers.
3) Monitor, analyze, and develop trends based on data related to attributes identified in recommendation E1 but not limited to, to enhance the identification of priority areas and support neighborhoods before individuals experience involuntary displacement.
4) The following maps identify the initial establishment of the priority areas in Lexington and are to be used to focus any initial resources dedicated to addressing involuntary displacement, with acknowledgment they are to be updated annually. These maps were created with 2017 American Community Survey Census data and 2019 PVA data.

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

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

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

Map 2. High Minority Population (Non-White)

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

Map 3. Low Mean Home Sale Price

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

Map 4. Low Owner-Occupancy Rate

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

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

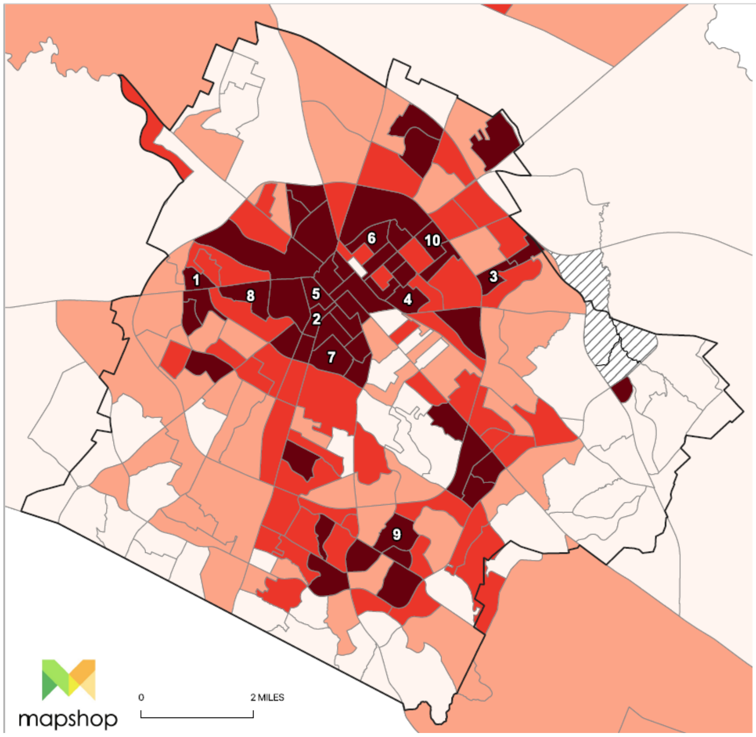
- Consolidates the top 10 block groups of each attribute: 30 percent AMI, minority population, mean sale price, and owner-occupancy rate into one map. The top 10 block groups are the most extreme measure of the data the attribute map is evaluating.

- This map identifies the top 10 block groups from each attribute and shows the areas that intersect with more than one attributes' top 10 block groups.

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

Priority Area Maps:

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



INCOME 2017 - 30% AMI

PERCENT OF HOUSEHOLDS <30% AMI
- 0% - 10%
- 11% - 21%
- 22% - 39%
- 40% - 78%
- URBAN SERVICE BOUNDARY
- NO DATA

ADDITIONAL DATA CONTEXT:

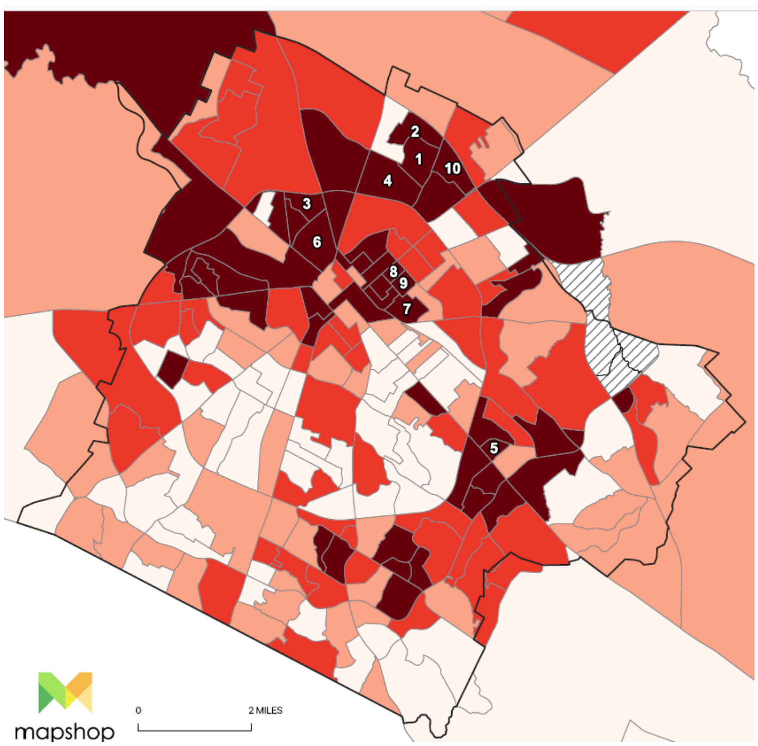
30% AMI = $25,750
80% AMI = $59,600
POVERTY LEVEL = $ 25,100
FAIR MARKET RENT 2BDR = $883
INCOME FOR MONTHLY HOUSING COSTS = $643*

TOP 10 CENSUS BLOCK GROUPS:

LABEL	TRACT	BLK GRP	PER <30%
1	002001	1	78.19
2	000900	3	76.63
3	003202	3	67.95
4	000400	2	67.82
5	000900	1	67.41
6	000200	1	66.41
7	000801	1	64
8	001900	1	63.96
9	003404	1	63.67
10	001400	1	63.26

Data sources: ACS 2017 5 year estimates, quartile classification scheme; HUD 2019 income and rent limits. *30% of income.

Map 2. High Minority Population (Non-White)



MINORITY POPULATION 2017 - NON-WHITE

PERCENT OF INDIVIDUALS NON-WHITE
- 0% - 9%
- 9% - 19%
- 19% - 34%
- 34% - 93%
- URBAN SERVICE BOUNDARY
- NO DATA

ADDITIONAL DATA CONTEXT:

MEDIAN HHLD INCOME - WHITE = $59,964
UNEMPLOYED - WHITE = 5.3%
MEDIAN HHLD INCOME - BLACK / AF AM = $29,634
UNEMPLOYED - BLACK AF/AM = 10.1%
MEDIAN HHLD INCOME - HISPANIC / LATINO = $39,104
UNEMPLOYED - HISPANIC / LATINO = 4.9%

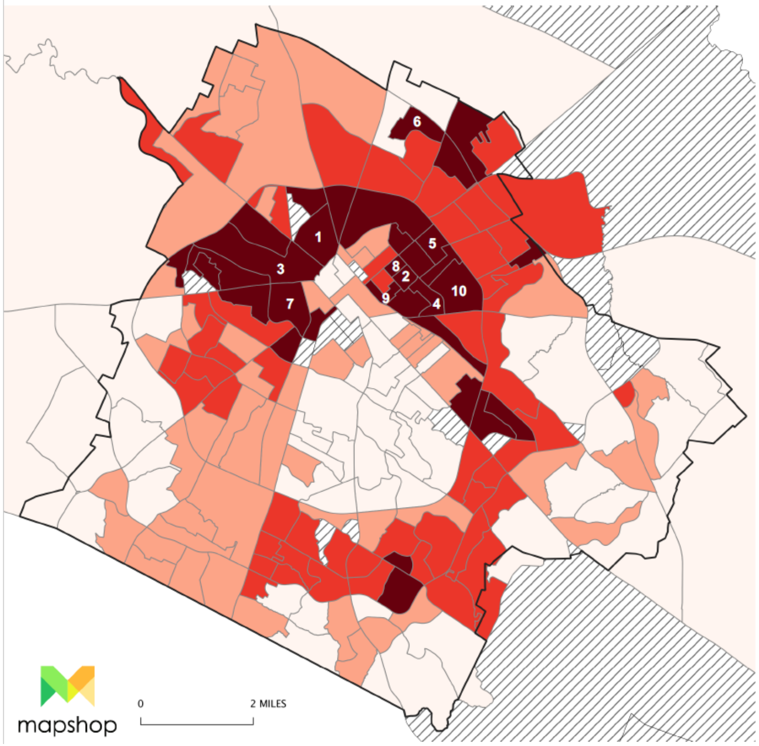
TOP 10 CENSUS BLOCK GROUPS:

LABEL	TRACT	BLK GRP	% NWHITE
1	003804	2	93.01
2	003804	1	83.36
3	001100	4	82.79
4	003804	3	79.48
5	003911	3	79.2
6	001100	2	78.82
7	000400	2	78.8
8	000300	1	72.26
9	000300	2	71.16
10	003102	1	69.87

Data sources: ACS 2017 5 year estimates, quartile classification scheme.

Priority Area Maps:

Map 3. Low Mean Home Sale Price

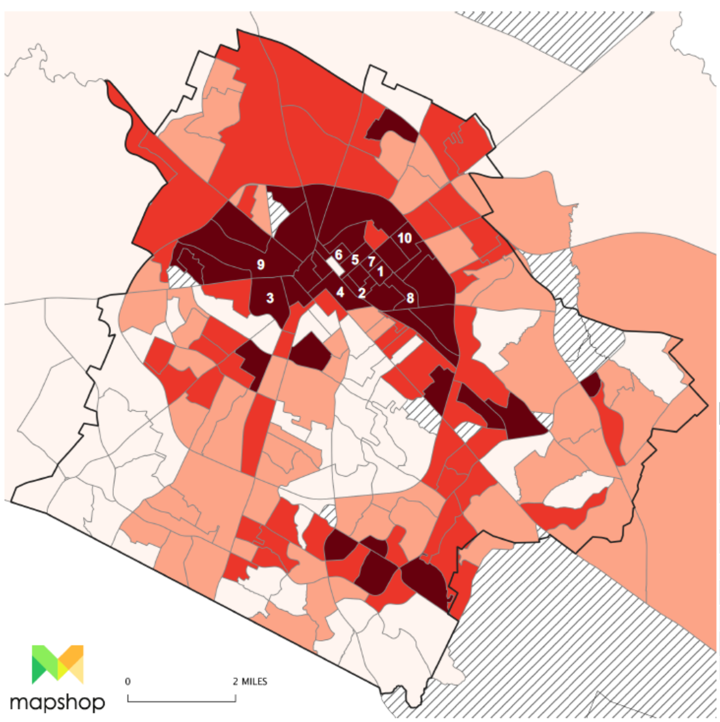


TOP 10 CENSUS BLOCK GROUPS:

Label	Tract	Blk Grp	Mean Sale Price
1	11	2	$39,393
2	3	2	$43,180
3	10	1	$46,218
4	4	1	$55,913
5	14	1	$57,398
6	38.04	1	$62,855
7	9	2	$66,237
8	3	1	$70,744
9	3	3	$73,559
10	15	2	$80,454

Data sources: PVA, August 2019.

Map 4. Low Owner-Occupancy Rate



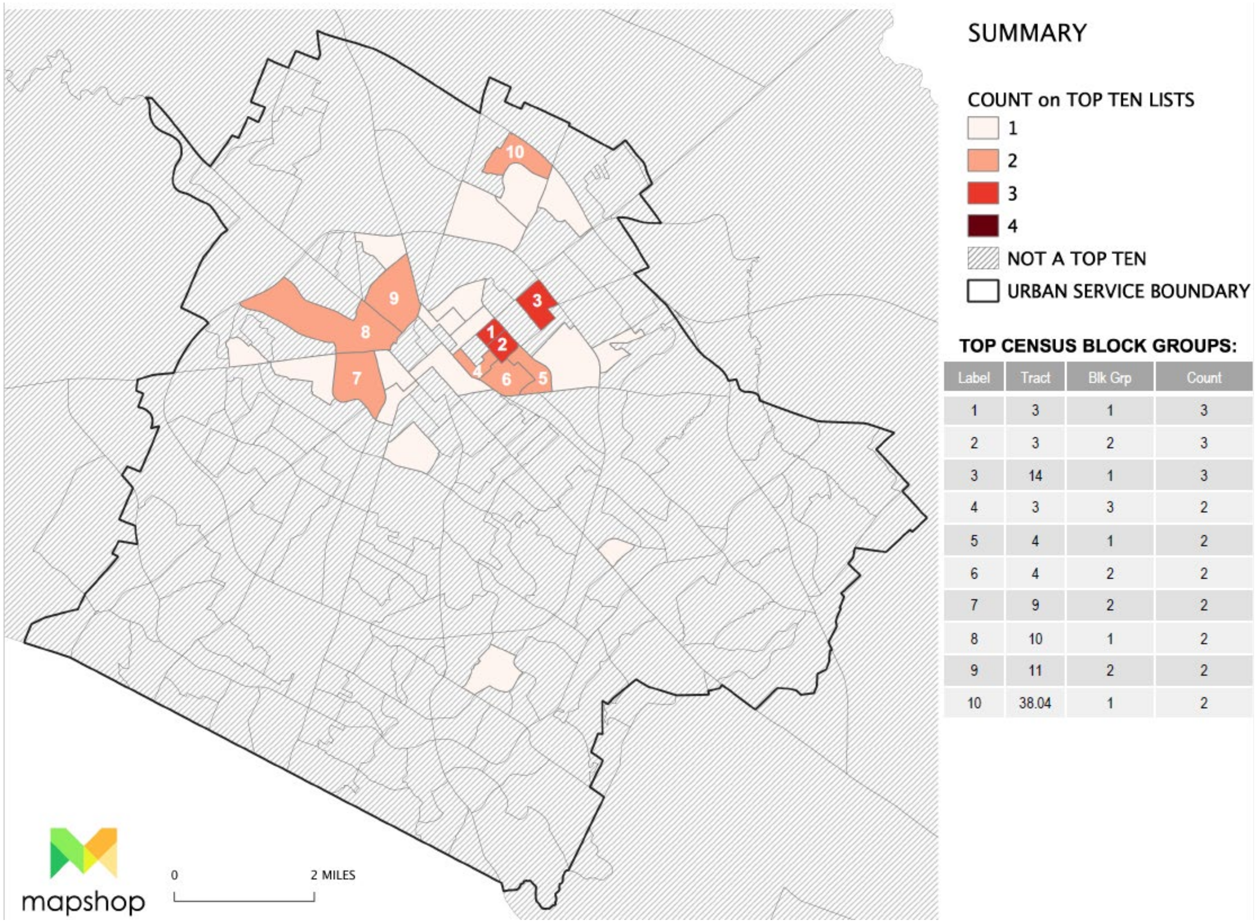
TOP 10 CENSUS BLOCK GROUPS

Label	Tract	Blk Grp	% OCCUPIED
1	3	2	32.44%
2	3	3	36.82%
3	9	2	38.00%
4	1.01	1	39.32%
5	2	2	39.67%
6	2	4	40.45%
7	3	1	40.46%
8	4	1	41.66%
9	10	1	42.86%
10	14	1	43.26%

Data sources: PVA, August 2019.

Priority Area Maps:

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



Label	Tract	Blk Grp	Count
1	3	1	3
2	3	2	3
3	14	1	3
4	3	3	2
5	4	1	2
6	4	2	2
7	9	2	2
8	10	1	2
9	11	2	2
10	38.04	1	2