

INCOME-ALIGNED HOUSING

Strengthening Communities Through Housing Solutions

OPPORTUNITY TO IMPROVE THE BUSINESS CLIMATE

The rapid pace of job creation across Kentucky, but especially in Northern Kentucky, has caused a shortage in available housing units across all price points putting pressure on employers and residents alike. The 2023 Northern Kentucky Housing Data Study showed the region needs 6,650 more housing units within five years to keep up with economic demands, while Kentucky overall faces a gap of over 200,000 income-aligned units. This income-aligned housing shortfall has the potential to exacerbate the workforce crisis, limiting growth and deterring talent. To support population and workforce expansion, the General Assembly should adopt policies that increase the supply of income-aligned housing and encourage varied development statewide.

APPROACH TO TACKLE THE ISSUE

The NKY Chamber encourages myriad solutions to be considered at all levels of government to help address the issues around income-aligned housing, for which there is no singularly effective approach to produce desired outcomes.

Invest in Programs that Ensure Housing Stability

- **Expand Weatherization and Utility Assistance:** Increase funding through Community Action Commissions for landlords and homeowners to improve energy efficiency and reduce costs.

Develop and Enhance Resources and Incentives

- **Enhance the Kentucky Affordable Housing Trust Fund:** Update real estate transaction fees to generate more revenue, allow diverse housing types, and boost local development.
- **Establish a Kentucky Community Investment Credit:** Create a tax credit modeled after Tennessee's program to incentivize private investment in income-aligned housing.
- **Utilize Publicly Owned Land:** Dedicate or simplify the use of publicly owned land for housing development, such as right-of-way or university property.
- **Increase HOME Fund Allocations:** Adjust formulas to distribute funds based on population and the number of cities in a consortium.

Build a Skilled Workforce for Housing Construction

- **Develop Construction Workforce Training Funds:** Utilize state closing or construction permit fees to fund workforce training, addressing residential construction labor shortages.

WHY DOES IT MATTER TO MY BUSINESS

Addressing Kentucky's lack of income-aligned housing is critical for businesses because it directly influences workforce stability, talent attraction, and overall economic growth. When workers have access to affordable and suitable housing options near their places of employment, businesses can reduce turnover, enhance employee productivity, and foster a more engaged and resilient workforce. Additionally, having various housing options strengthens a region's ability to attract diverse talent, which is essential in today's competitive labor market.

WHAT WE ARE ASKING AN ELECTED OFFICIAL TO DO

- Expand Weatherization and Utility Assistance
- Build a skilled workforce for Housing Construction
- Enhance the Kentucky Affordable Housing Trust Fund
- Establish a Kentucky Community Investment Credit
- Utilize Publicly Owned Land for Housing Development
- Increase HOME Fund Allocations