

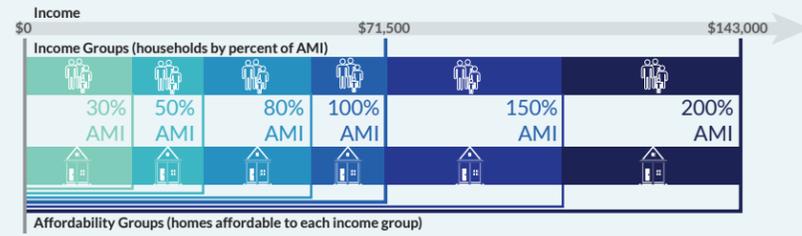
# Affordability Gaps

## About the Affordability Gap Analysis

Louisville's Area Median Income (AMI) in 2018 was \$71,500 for a family of four. Families with income below this amount have less housing choice because there are fewer housing units that they can afford.

The chart to the right shows six income groups in relation to Louisville's AMI. Homes are *affordable* to an income group if they cost no more than 30% of the group's income. For example, homes in the **50% AMI** affordability group cost 30% of a **50% AMI** household's income.

But a higher income gives families more choice to spend less of that income on housing, so each income group can also afford homes in lower affordability groups: for example, households in the **50% AMI** income group can also afford homes in the **30% AMI** affordability group. A home may be *affordable* but not *available* to an income group if it is occupied by a family who could afford a more expensive home.



The Affordability Gaps for each market area show where there is a shortage of *affordable* and *available* homes for each income group. Citywide, there is a shortage of houses *affordable* and *available* to families in income groups below **100% AMI**.

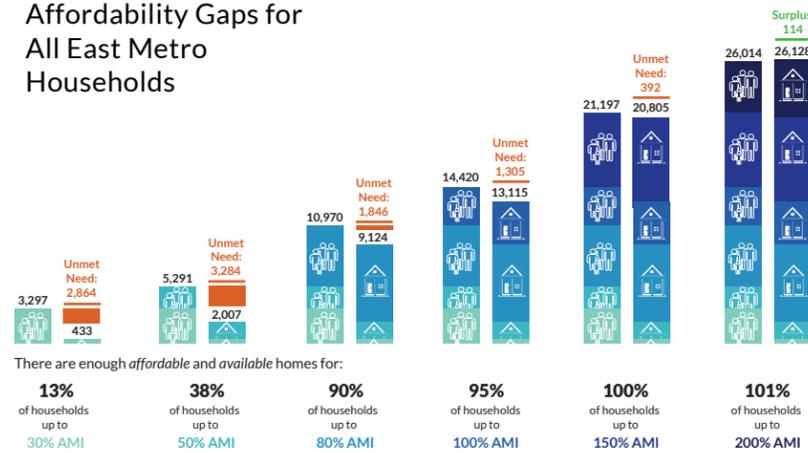
In the Affordability Gap figures below, the **Unmet Need** numbers estimate the total number of additional units that would be needed to close the affordability gap for each income group. Because these numbers are estimates based on sample data, the unmet need for renters and for owners together may not add up to the total unmet need.

Only 20 percent of families in East Metro earn **50% AMI** or less, but there are very few homes affordable to these low-income families.

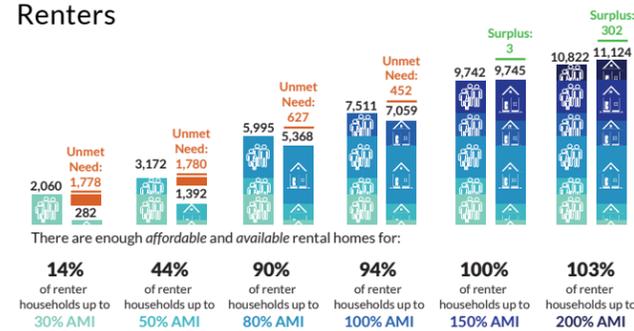
**East Metro does not have enough affordable and available homes for an estimated 2,864 of its 30% AMI families and 3,284 of its 50% AMI families.**

This shortage of affordable and available units makes it difficult for Louisville families whose income is below **50% AMI** to find a home in East Metro.

## Affordability Gaps for All East Metro Households

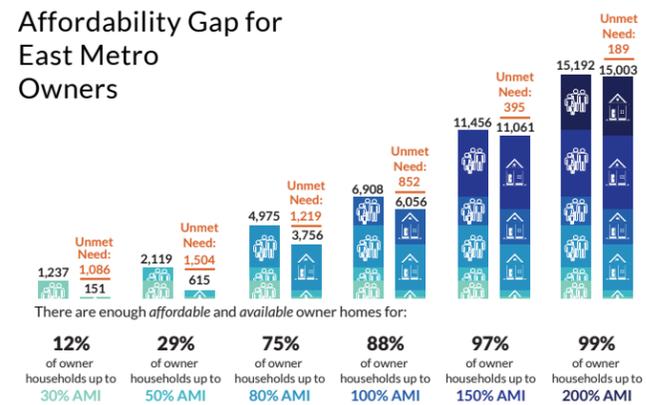


## Affordability Gap for East Metro Renters



Almost 20 percent of families renting homes in East Metro earn **30% AMI** or less, but less than three percent of all rental units are affordable to these households.

## Affordability Gap for East Metro Owners

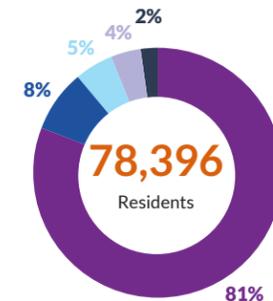
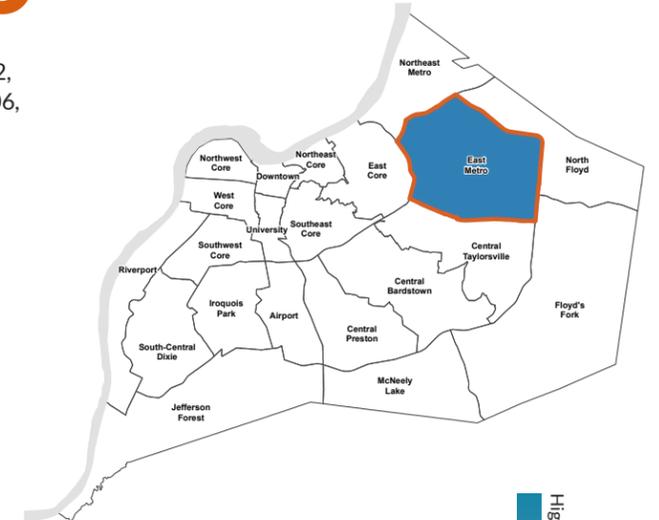


There are few owners with income below **50% AMI** in East Metro, but a shortage of homes affordable to the lowest income families creates an affordability gap for higher income households.

# Louisville Housing Needs Assessment - Housing Market Area Profiles

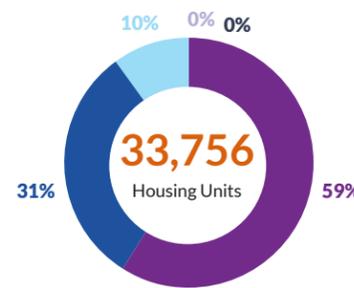
## EAST METRO

Census tracts: 100.04, 100.05, 100.06, 100.07, 100.08, 101.02, 101.03, 101.04, 103.09, 103.18, 104.02, 104.03, 104.05, 104.06, 107.01, 107.05, 107.06



### Race & Ethnicity

- White
- Black/African American
- Asian
- Latinx
- Other



### Housing Type

- Single Family Detached (19,751)
- Multifamily (10,518)
- Single Family Attached (3,255)
- Duplex (156)
- Manufactured (76)

### Median Household Income

**\$69,703**

Louisville Median **\$50,099**

### Cost Burden



Households who spend **more than 30%** and **more than 50%** of income on housing

### Tenure



### Median Gross Rent

**\$978**

Louisville Median **\$770**

### Median Home Value

**\$234,158**

Louisville Median **\$174,400**

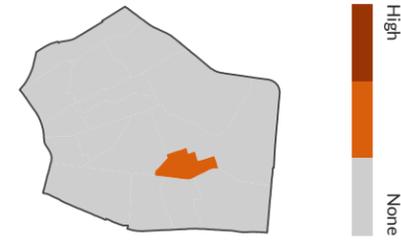
**East Metro** has high access to key resources and no homes in need of repair or demolition. There has been plentiful residential construction in the past four years, especially in the neighborhoods south of the city of Middletown. There are relatively few affordable assisted units, but none are at risk of losing their period of affordability within the next five years.

East Metro is currently home to a large proportion of homeowners and high-income families. The market area's median gross rent is significantly higher than the median in Louisville, and the median home value is slightly higher than the citywide median. The rate of cost burden is lower than Louisville's rate. Though there are relatively few households with income below 50% AMI, there is a substantial housing affordability gap for the lowest-income households in the market area. Housing strategies should focus on leveraging the market area's active housing market to promote the ability for diverse residents to thrive in East Metro.

## Potential Strategies

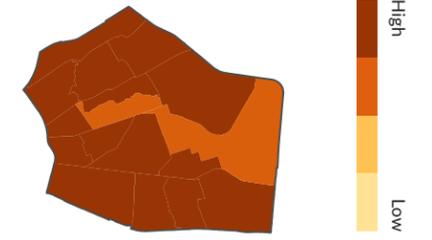
- Dedicate a funding source to sustain affordable housing initiatives.
- Make ground leases on city-owned land available for private development through long-term leases for the construction of market-rate and affordable housing units.
- Transfer City-owned property to a Community Land Trust.
- Allow financing of Renter Equity Programs.
- Foster the establishment of Employer-Assisted Homebuyer Programs.
- Establish a Landlord Mitigation Fund for LMHA's Housing Choice Voucher Program that covers lengthy vacancies or extensive damages caused by renters.
- Expand the use of the Low Income Housing Tax Credit Program through a Mixed-Income Initiative.
- Use an Exclusionary Taxing Program for developers who create a specified number of affordable units within a market-rate development to spur the creation of new affordable units.
- Use an inclusionary housing ordinance that requires a specified percentage of units to be made available as affordable in exchange for increased density.
- Extend the period of affordability on housing projects that are financed with LMG or LAHTF funds to a maximum period that is commensurate with other funding sources on the project.
- Require visitability accessibility standards on all new homes.

### Vulnerability to Displacement



Most of East Metro has **no vulnerability** to residential displacement due to development pressure, though there is some vulnerability near Klondike.

### Neighborhood Opportunity



East Metro residents have **very high access** to key resources like jobs, stable housing, transit, and health hazard mitigation.

