

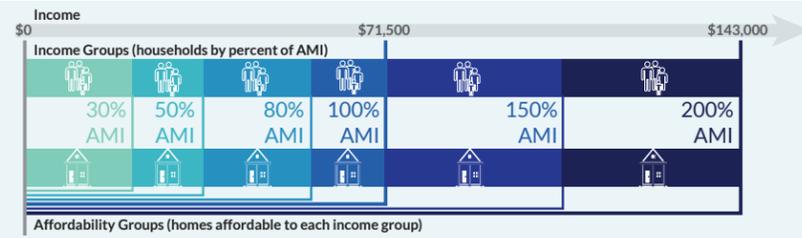
Affordability Gaps

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.

Around 13 percent of all families in Floyd's Fork earn **30% AMI** or less, but only six percent of all homes are affordable and available to these families.

This shortage of affordable and available units for the lowest income group creates an affordability gap that also impacts **50% AMI** households.

Floyd's Fork does not have enough affordable and available homes for an estimated 398 of its **30% AMI** families and 265 of its **50% AMI** families.

Affordability Gaps for All Floyd's Fork Households



There are enough affordable and available homes for:

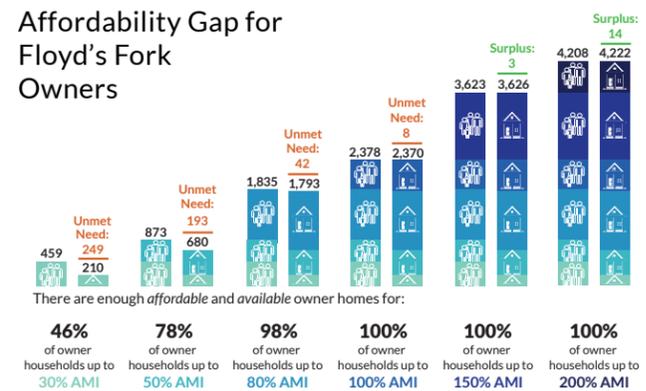


Affordability Gap for Floyd's Fork Renters



Floyd's Fork has very few renters, but they are fairly evenly distributed by income. The housing stock leaves a significant affordability gap for **30% AMI** and **50% AMI** renters.

Affordability Gap for Floyd's Fork Owners

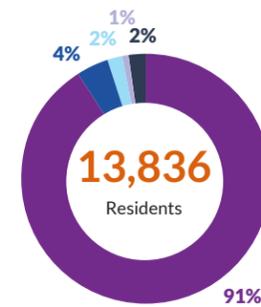
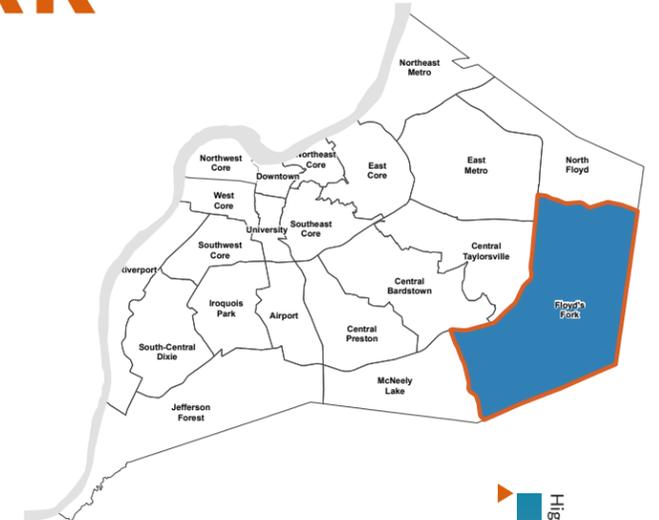


The affordability gap for owners with income below **50% AMI** is smaller in Floyd's Fork than in most market areas, but there is still a notable shortage of homes for the lowest income families.

Louisville Housing Needs Assessment - Housing Market Area Profiles

FLOYD'S FORK

Census tracts: 116.01, 116.03, 116.04



Race & Ethnicity

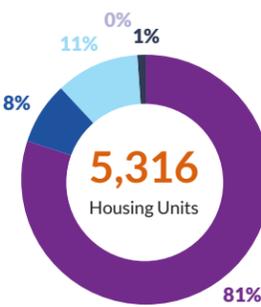
- White
- Black/African American
- Asian
- Latinx
- Other

Median Household Income

\$93,896

Louisville Median
\$50,099

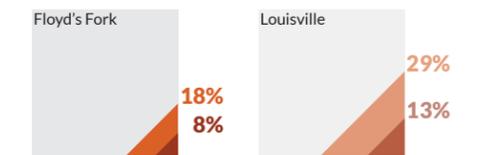
High
Low



Housing Type

- Single Family Detached (4,294)
- Multifamily (424)
- Single Family Attached (564)
- Duplex (7)
- Manufactured (27)

Cost Burden



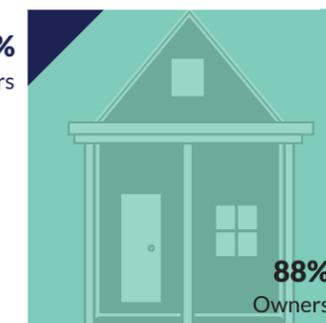
Households who spend **more than 30%** and **more than 50%** of income on housing

Tenure

Median Gross Rent
\$1,224

Louisville Median
\$770

12% Renters



Median Home Value

\$314,644

Louisville Median
\$174,400

High
Low

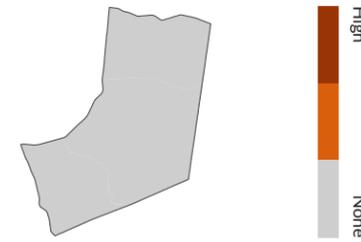
Floyd's Fork has seen substantial new residential construction in the past four years, but there is little to no risk of residential displacement due to the development. The market area's housing stock is predominantly made up of single family detached homes that are owner-occupied. There are no affordable assisted units.

The median income of Floyd's Fork households is much higher than the Louisville median. The median rent and housing value are also among the highest in the city, but the rate of cost burden is significantly lower than the citywide rate. Still, there is a housing affordability gap for the lowest-income households in Floyd's Fork. Housing strategies should focus on leveraging the market area's active housing market to encourage the creation of homes that meet the needs of a diverse array of Louisvillians.

Potential Strategies

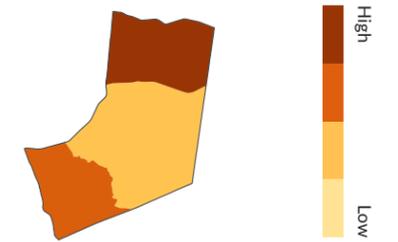
- Dedicate a funding source to sustain affordable housing initiatives.
- Make ground leases on city-owned land available for private development through long-term leases for the construction of market-rate and affordable housing units.
- Allow financing of Renter Equity Programs.
- Foster the establishment 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



Floyd's Fork neighborhoods have **no vulnerability** to residential displacement due to development pressure.

Neighborhood Opportunity



Floyd's Fork residents have **varied access** to key resources like jobs, stable housing, transit, and health hazard mitigation.

