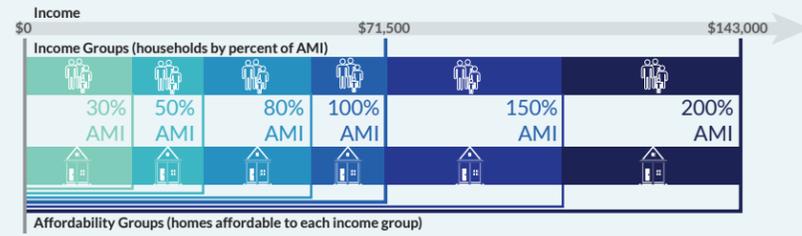# Affordability Gaps

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.

Income
$0 — $71,500 — $143,000

Income Groups (households by percent of AMI)

| 30% AMI | 50% AMI | 80% AMI | 100% AMI | 150% AMI | 200% AMI |

Affordability Groups (homes affordable to each income group)

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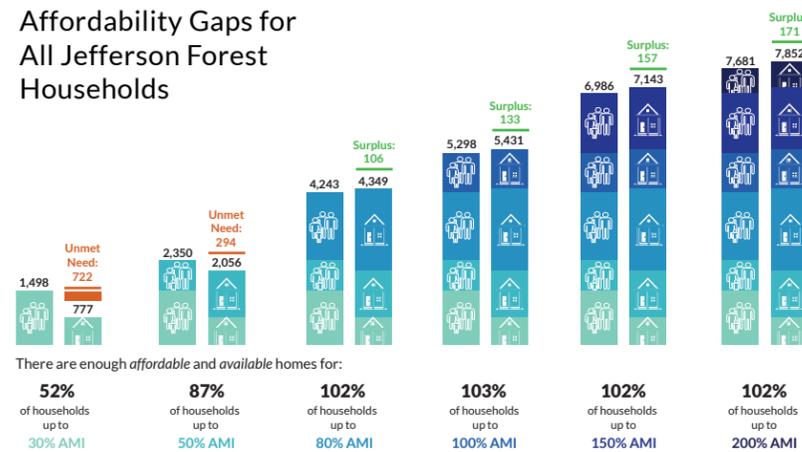
In the Affordability Gap figures below, the **Unmet Need** numbers estimate the total number of additional units that would be needed to close the affordability gap for each income group. Because these numbers are estimates based on sample data, the unmet need for renters and for owners together may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

Almost 20 percent of all families in Jefferson Forest earn **30% AMI** or less, but only ten percent of all homes are affordable and available to these families.
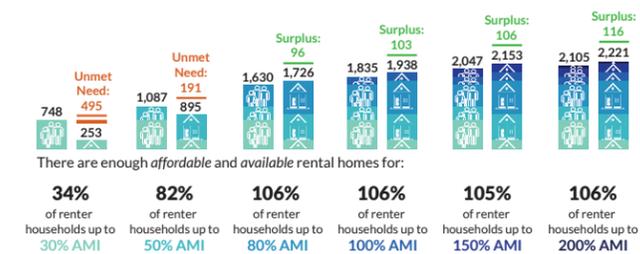
This shortage of affordable and available units for the lowest income group creates an affordability gap that also impacts **50% AMI** households to some extent.

Jefferson Forest does not have enough affordable and available homes for an estimated 722 of its 30% AMI families and 294 of its 50% AMI families.
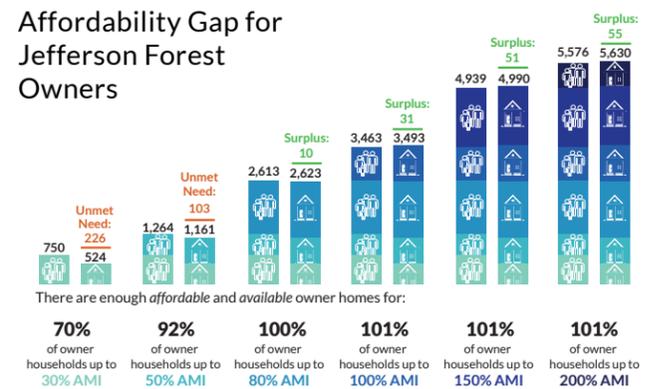
Affordability Gaps for All Jefferson Forest Households

There are enough *affordable* and *available* homes for:

| 52% of households up to 30% AMI | 87% of households up to 50% AMI | 102% of households up to 80% AMI | 103% of households up to 100% AMI | 102% of households up to 150% AMI | 102% of households up to 200% AMI |

Affordability Gap for Jefferson Forest Renters

There are enough *affordable* and *available* rental homes for:

| 34% of renter households up to 30% AMI | 82% of renter households up to 50% AMI | 106% of renter households up to 80% AMI | 106% of renter households up to 100% AMI | 105% of renter households up to 150% AMI | 106% of renter households up to 200% AMI |

The shortage of affordable units most impacts **30% AMI** renters. The relatively large supply of units affordable at **50% AMI** does not meet the total demand in the two lowest income groups.

Affordability Gap for Jefferson Forest Owners

There are enough *affordable* and *available* owner homes for:

| 70% of owner households up to 30% AMI | 92% of owner households up to 50% AMI | 100% of owner households up to 80% AMI | 101% of owner households up to 100% AMI | 101% of owner households up to 150% AMI | 101% of owner households up to 200% AMI |

An affordability gap for low-income owners exists, but it is relatively small in Jefferson Forest.

JEFFERSON FOREST

Census tracts: 120.01, 120.02, 120.03, 121.04, 121.07

Race & Ethnicity

22,098 Residents
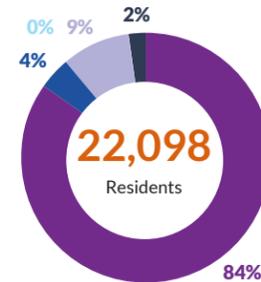
- White — 84%
- Black/African American — 4%
- Asian — 0%
- Latinx — 9%
- Other — 2%

Median Household Income

$44,735

Louisville Median
$50,099

Housing Type

8,184 Housing Units
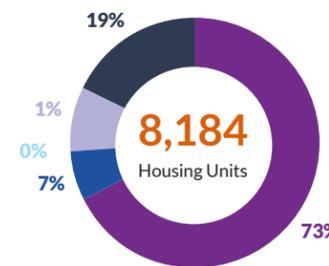
- Single Family Detached (5,963) — 73%
- Multifamily (555) — 7%
- Single Family Attached (36) — 0%
- Duplex (73) — 1%
- Manufactured (1,557) — 19%

Cost Burden

| Jefferson Forest | Louisville |
| 25% / 13% | 29% / 13% |
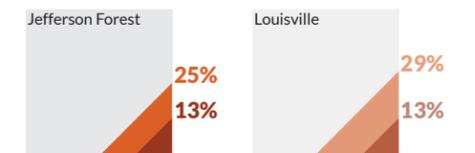
Households who spend **more than 30%** and **more than 50%** of income on housing
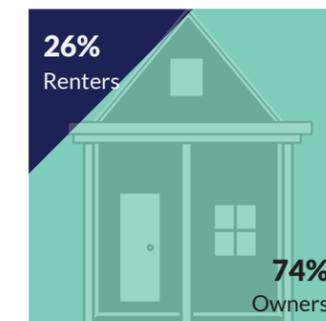
Median Gross Rent

$810

Louisville Median
$770

Tenure

26% Renters

74% Owners

Median Home Value

$96,503

Louisville Median
**$174,400**

Jefferson Forest

Jefferson Forest has relatively low access to key resources and a small number of homes in need of repair or demolition. A high proportion of the housing stock is in mobile homes. There has been some new residential construction in the past four years, mostly clustered on either end of the market area. There is only one affordable assisted development containing ten units, but without intervention, its period of affordability will end within the next five years.

The median household income and median housing value in Jefferson Forest are marginally lower than Louisville as a whole, but the median gross rent is actually higher than Louisville's median. Still, the rate of cost burden is lower than the citywide rate, and the affordability gap for the lowest income households is relatively small. Housing strategies should seek to amplify the diversity of the market area by creating new affordable opportunities while bolstering quality of life for current residents.

Potential Strategies

- Provide code lien amnesty and housing rehabilitation to low-income homeowners and to buyers of houses from the Landbank Authority.

- Allow financing of Renter Equity Programs.

- Foster the establishment of Employer-Assisted Homebuyer Programs.

- Work with partner organizations to provide a combination mortgage/rehabilitation product for homes requiring improvements.

- Dedicate a funding source to sustain affordable housing initiatives and 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.

- Make ground leases on City-owned land available for the development of private market-rate and affordable housing units.

- Require visitability accessibility standards on all new homes.

- Establish a Cool Roofs, Cool Asphalt, & Tree Planting pilot program.

- Partner with a community lender to provide working capital loans to people of color and women who provide construction services.

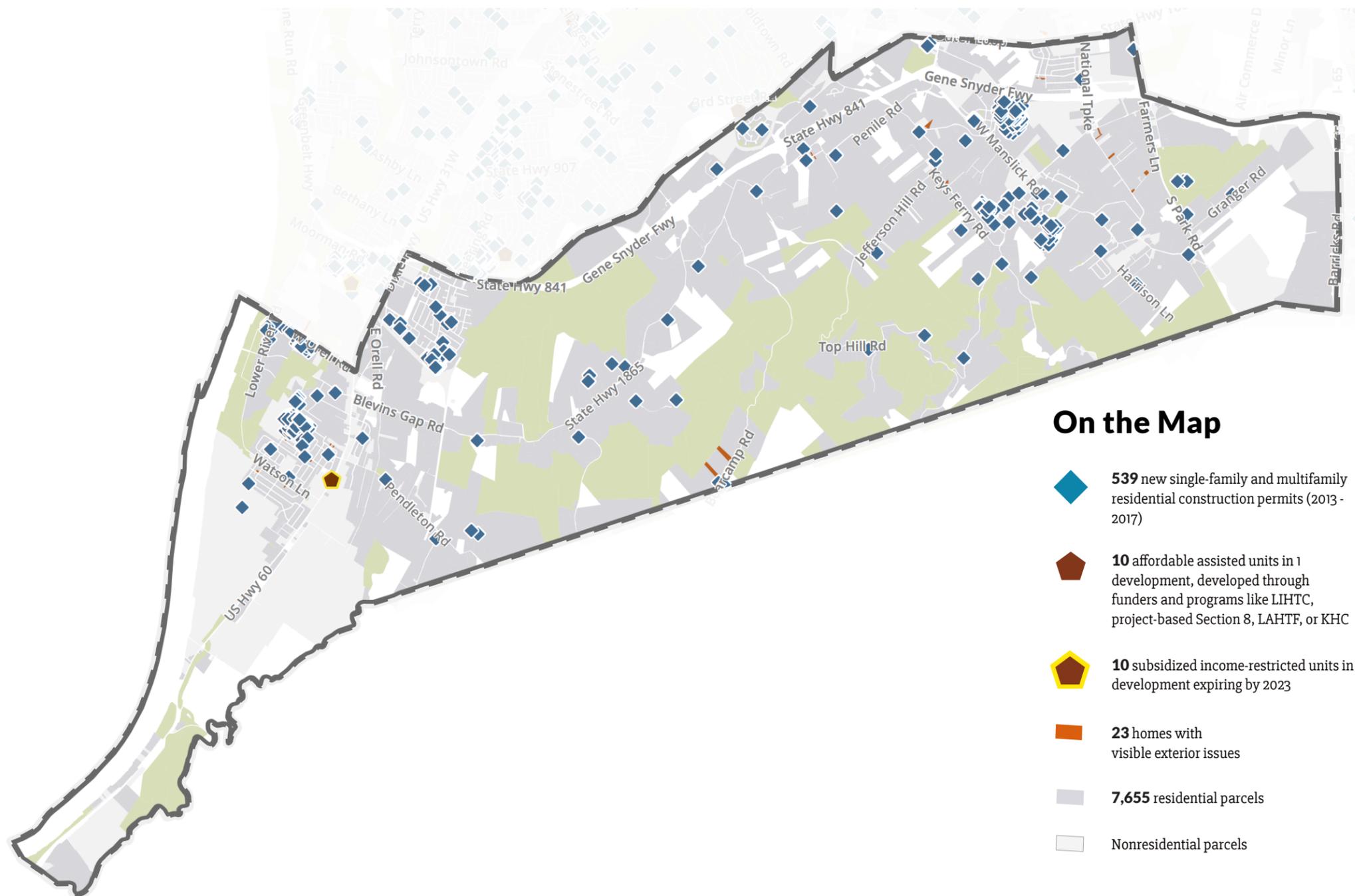## Vulnerability to Displacement
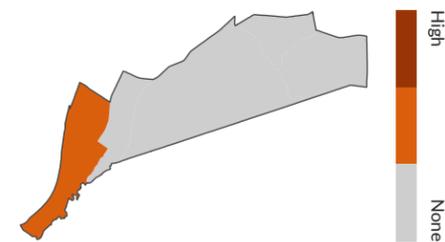
Most of Jefferson Forest has **no vulnerability** to residential displacement due to development pressure.

Neighborhood Opportunity
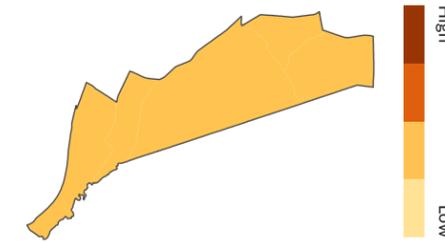
Jefferson Forest residents have **relatively low access** to key resources like jobs, stable housing, transit, and health hazard mitigation.

On the Map

◆ **539** new single-family and multifamily residential construction permits (2013 - 2017)

⬠ **10** affordable assisted units in 1 development, developed through funders and programs like LIHTC, project-based Section 8, LAHTF, or KHC

⬠ **10** subsidized income-restricted units in 1 development expiring by 2023

▬ **23** homes with visible exterior issues

▪ **7,655** residential parcels

▫ Nonresidential parcels