

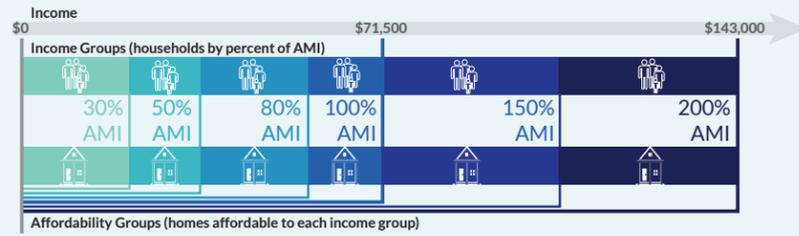
Affordability Gaps

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**.

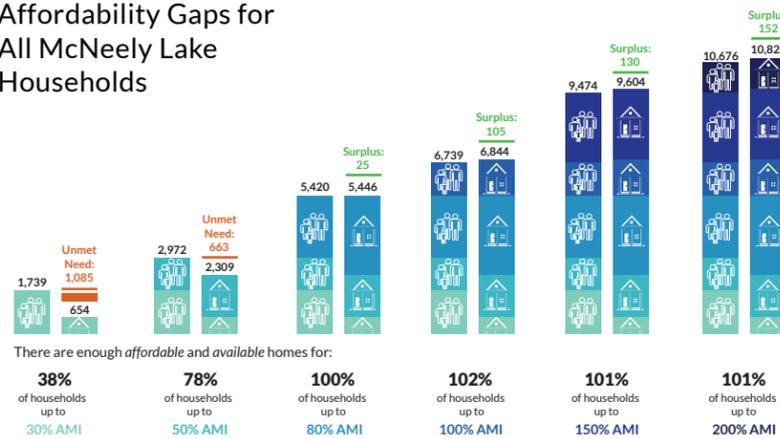
In the Affordability Gap figures below, the **Unmet Need** numbers estimate the total number of additional units that would be needed to close the affordability gap for each income group. Because these numbers are estimates based on sample data, the unmet need for renters and for owners together may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

Almost 16 percent of all families in McNeely Lake earn **30% AMI** or less, but only six percent of all homes are affordable and available to these families.

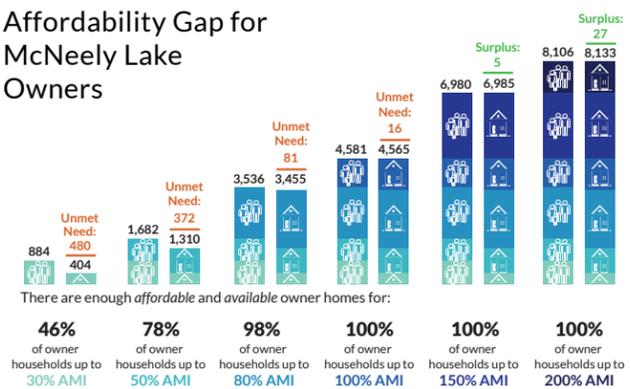
This shortage of affordable and available units for the lowest income group creates an affordability gap that also impacts **50% AMI** households to some extent.

McNeely Lake does not have enough affordable and available homes for an estimated **1,085** of its **30% AMI** families and **663** of its **50% AMI** families.

Affordability Gaps for All McNeely Lake Households

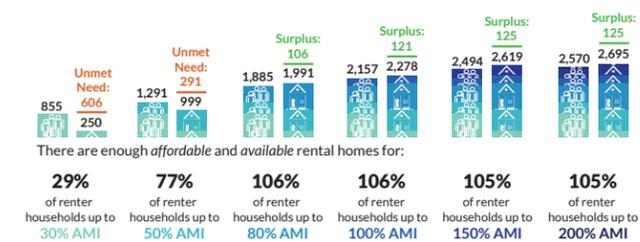


Affordability Gap for McNeely Lake Owners



There are relatively few owners with income below **30% AMI** in McNeely Lake, but the market area's supply of homes meets the needs of less than half of these low-income owners.

Affordability Gap for McNeely Lake Renters

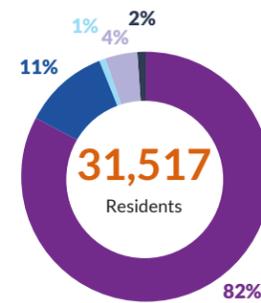
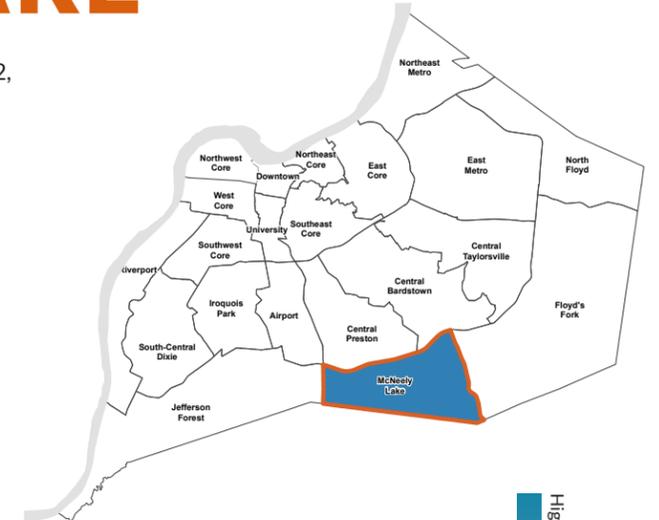


A third of McNeely Lake renters are in the **30% AMI** income group, but there are only enough affordable rental units for 29 percent of these families.

Louisville Housing Needs Assessment - Housing Market Area Profiles

MCNEELY LAKE

Census tracts: 117.07, 117.08, 117.09, 117.10, 117.11, 117.12, 117.13



Race & Ethnicity

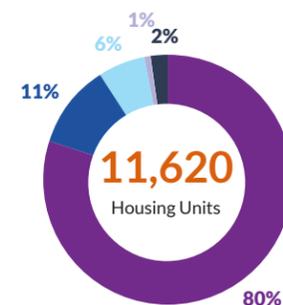
- White
- Black/African American
- Asian
- Latinx
- Other

Median Household Income

\$61,988

Louisville Median **\$50,099**

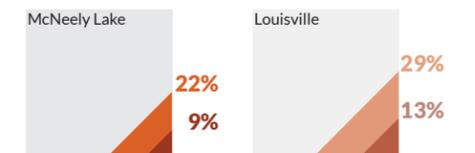
High
Low



Housing Type

- Single Family Detached (9,329)
- Multifamily (1,271)
- Single Family Attached (722)
- Duplex (63)
- Manufactured (235)

Cost Burden



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

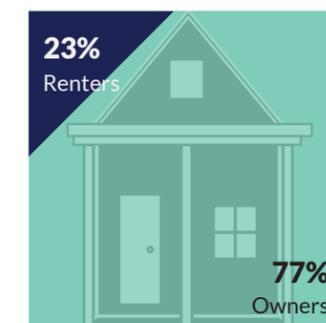
High
Low

Median Gross Rent

\$918

Louisville Median **\$770**

Tenure



Median Home Value

\$157,055

Louisville Median **\$174,400**

High
Low

McNeely Lake has low to moderate access to opportunity, but there are few or no homes in need of repair or demolition and there has been plentiful residential construction throughout the market area in the past four years. The vast majority of homes in McNeely Lake are single family detached units. There is only one affordable assisted development. It is not at risk of losing its affordability restrictions within the next five years.

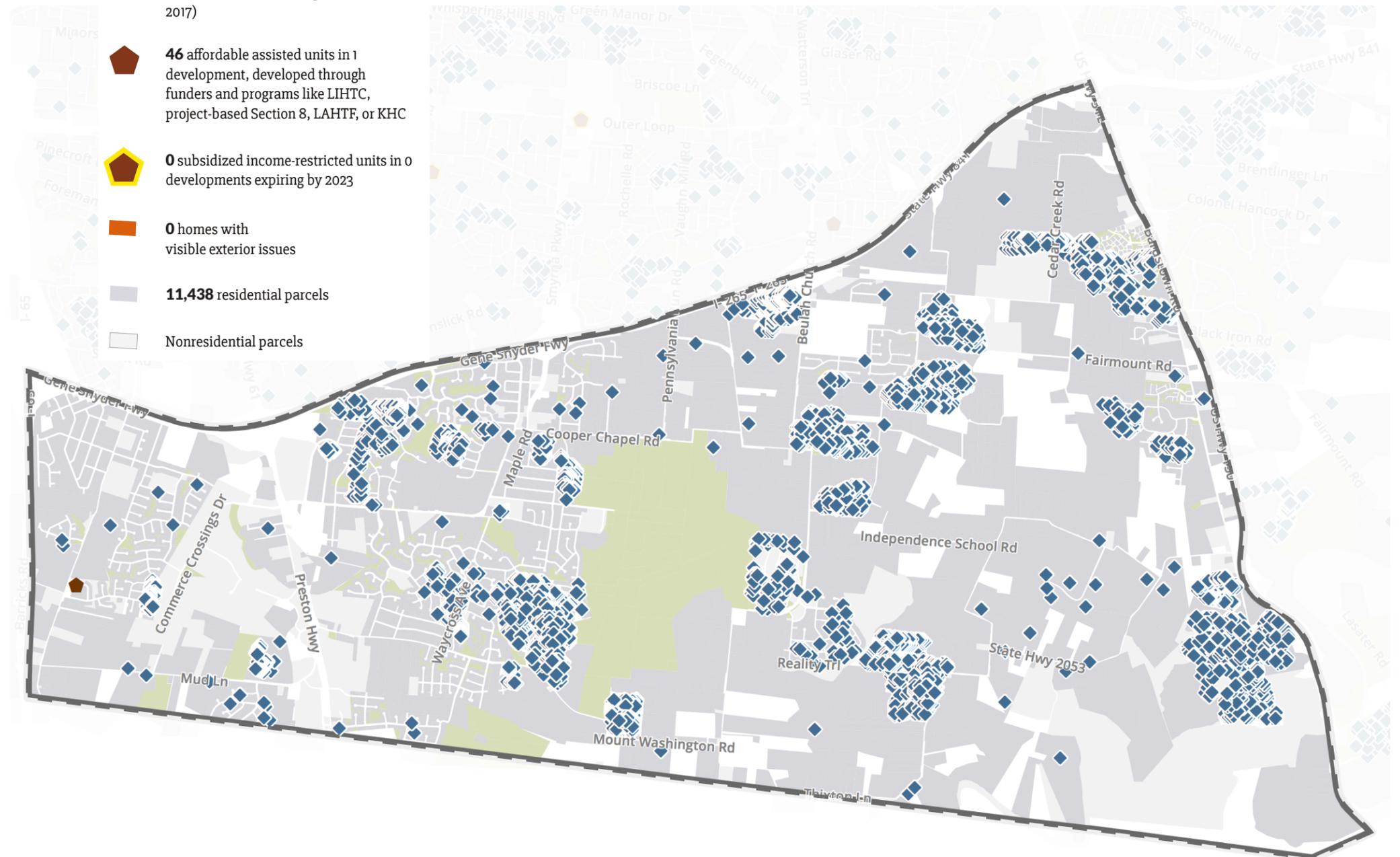
McNeely Lake households have a median income that is just above Louisville’s median. Over three quarters of households in the market area are owners, and their median housing value is slightly lower than that of Louisville. The cost burden rate is also lower than the citywide rate. However, the median gross rent is higher than the city median, there is a significant housing affordability gap for the lowest-income renters in particular. Housing strategies should focus on leveraging the market area’s relatively active housing market to increase opportunities for diverse residents to call McNeely Lake home.

Potential Strategies

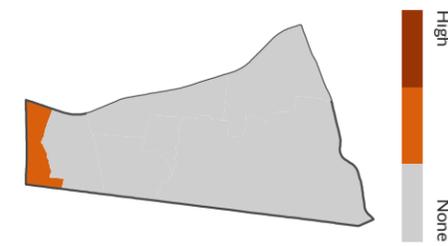
- Dedicate a funding source to sustain affordable housing initiatives.
- Make ground leases on city-owned land available for private development through long-term leases for the construction of market-rate and affordable housing units.
- Allow financing of Renter Equity Programs.
- Foster the establishment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

On the Map

- ◆ **3,425** new single-family and multifamily residential construction permits (2013 - 2017)
- ◆ **46** affordable assisted units in 1 development, developed through funders and programs like LIHTC, project-based Section 8, LAHTF, or KHC
- ◆ **0** subsidized income-restricted units in 0 developments expiring by 2023
- **0** homes with visible exterior issues
- **11,438** residential parcels
- Nonresidential parcels

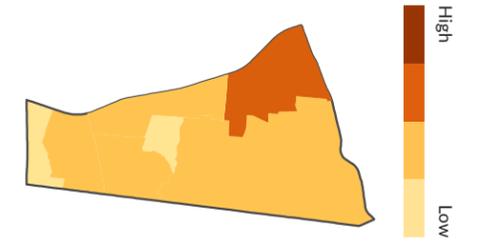


Vulnerability to Displacement



Most of McNeely Lake has **no vulnerability** to residential displacement due to development pressure.

Neighborhood Opportunity



McNeely Lake residents have **low to moderate access** to key resources like jobs, stable housing, transit, and health hazard mitigation.