

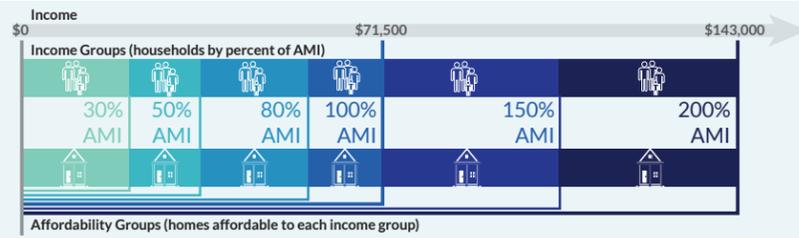
Affordability Gaps

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**.

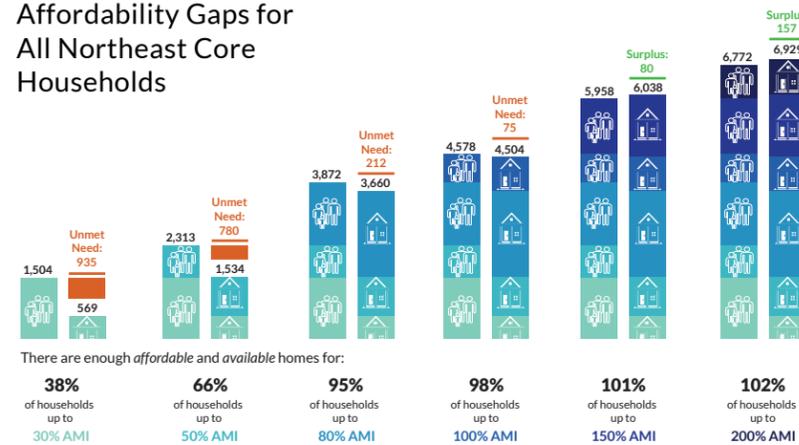
In the Affordability Gap figures below, the **Unmet Need** numbers estimate the total number of additional units that would be needed to close the affordability gap for each income group. Because these numbers are estimates based on sample data, the unmet need for renters and for owners together may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

Almost 22 percent of all families in Northeast Core earn **30% AMI** or less, but only eight percent of all homes are affordable and available to these families.

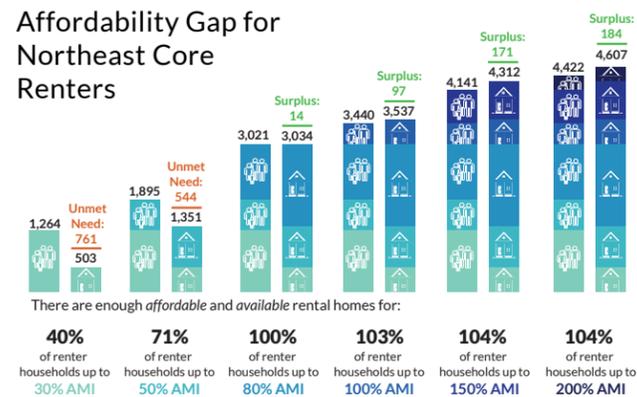
This shortage of affordable and available units for the lowest income group creates an affordability gap that also impacts **50% AMI** households to some extent.

Northeast Core does not have enough affordable and available homes for an estimated 935 of its 30% AMI families and 780 of its 50% AMI families.

Affordability Gaps for All Northeast Core Households

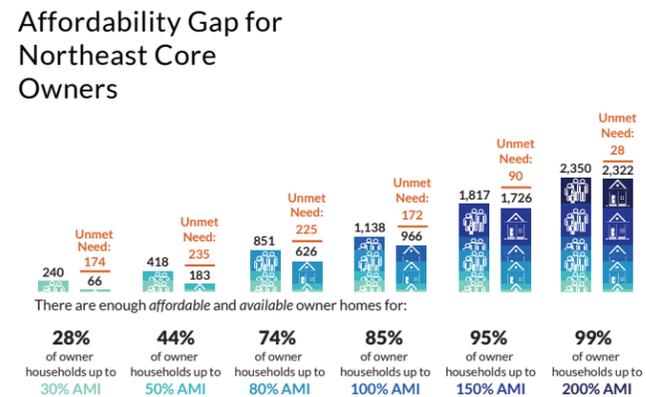


Affordability Gap for Northeast Core Renters



Northeast Core renters are particularly concentrated in the lowest income groups, but the housing stock leaves an affordability gap for **30% AMI** and **50% AMI** renters.

Affordability Gap for Northeast Core Owners



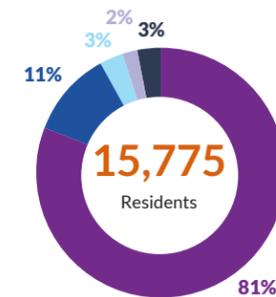
There are few owners in Northeast Core, and most are in higher income groups. There are very few owner units affordable and available to **30% AMI** and **50% AMI** families.

Louisville Housing Needs Assessment - Housing Market Area Profiles

NORTHEAST CORE

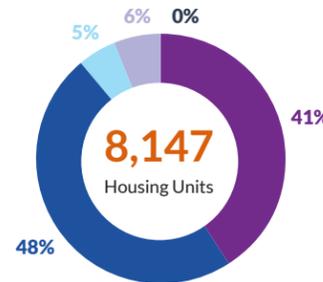
Urban Neighborhoods: Butchertown, Clifton Heights, Clifton, Irish Hill, Brownsboro Zorn, Crescent Hill

Census tracts: 74, 76.01, 76.02, 76.03, 79, 81



Race & Ethnicity

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



Housing Type

- Single Family Detached (3,321)
- Multifamily (3,891)
- Single Family Attached (379)
- Duplex (523)
- Manufactured (33)

Median Household Income

\$43,854

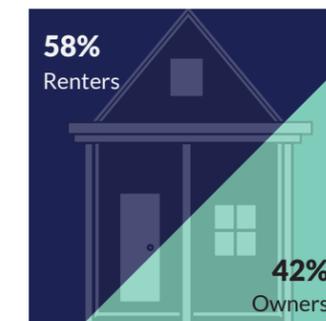
Louisville Median **\$50,099**

Cost Burden



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

Tenure



Median Gross Rent

\$758

Louisville Median **\$770**

Median Home Value

\$159,031

Louisville Median **\$174,400**

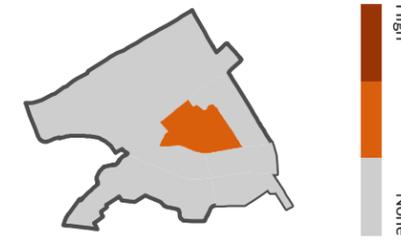
Northeast Core has relatively high access to opportunity and few homes in need of repair or demolition. There has been a moderate amount of residential construction in the past four years, especially in Crescent Hill. Around 14 percent of the market area's affordable assisted units will lose their period of affordability within the next five years without intervention, but the area has a low risk of residential displacement due to development pressure.

Northeast Core residents are diverse in household income, and there is good diversity in the housing stock that provides options for renters and owners. The median gross rent and median home value are just under the Louisville median. However, there is a notable lack of affordable owner options for households earning less than 100% AMI. New opportunities for homeownership could further build on the market area's current diversity and good access to key resources.

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.
- 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.
- 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 Northeast Core has **no vulnerability** to residential displacement due to development pressure, though there is some vulnerability near Klondike.

Neighborhood Opportunity



Northeast Core residents have **relatively high access** to key resources like jobs, stable housing, transit, and health hazard mitigation.

On the Map

- ◆ **135** new single-family and multifamily residential construction permits (2013 - 2017)
- ◆ **187** affordable assisted units in 7 developments, developed through funders and programs like LIHTC, project-based Section 8, LAHTF, or KHC
- ◆ **71** subsidized income-restricted units in 3 developments expiring by 2023
- ◆ **12** homes with visible exterior issues
- ◆ **4,345** residential parcels
- ◆ Nonresidential parcels

