

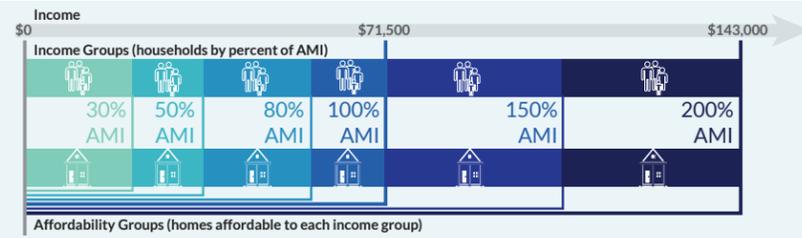
Affordability Gaps

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.



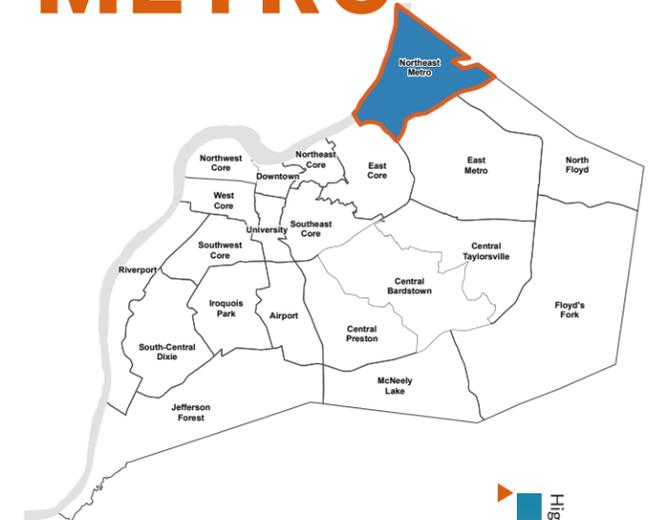
The Affordability Gaps for each market area show where there is a shortage of *affordable* and *available* homes for each income group. Citywide, there is a shortage of houses *affordable* and *available* to families in income groups below **100% AMI**.

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.

Louisville Housing Needs Assessment - Housing Market Area Profiles

NORTHEAST METRO

Census tracts: 75.02, 103.12, 103.13, 103.17

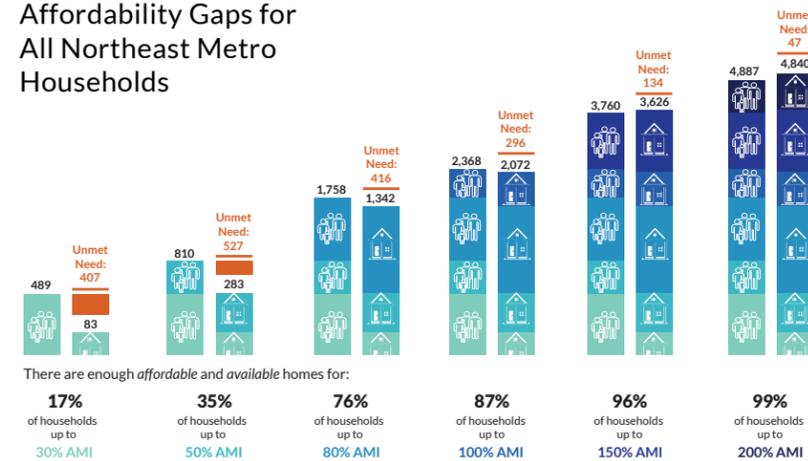


Only 17 percent of families in Northeast Metro earn **50% AMI** or less, but less than six percent of homes are affordable to these low-income families.

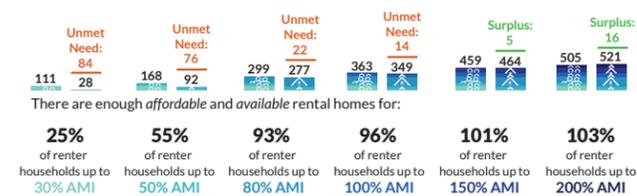
Northeast Metro does not have enough affordable and available homes for an estimated 407 of its 30% AMI families and 527 of its 50% AMI families.

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

Affordability Gaps for All Northeast Metro Households

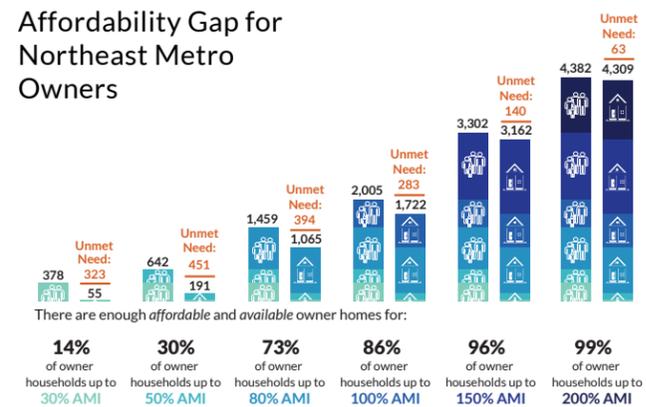


Affordability Gap for Northeast Metro Renters

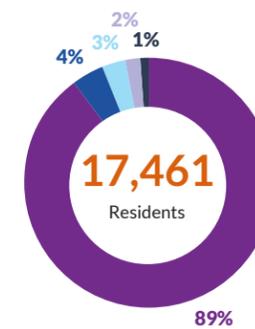


Northeast Metro has very few renters, and almost no units that are affordable to **30% AMI** and **50% AMI** renters.

Affordability Gap for Northeast Metro Owners

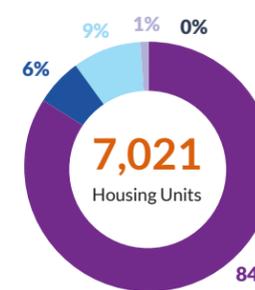


Less than half of Northeast Metro owners earn less than **100% AMI**, but there is a major shortage of homes that are affordable to owners in the four lower income groups.



Race & Ethnicity

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



Housing Type

- Single Family Detached (5,864)
- Multifamily (427)
- Single Family Attached (614)
- Duplex (93)
- Manufactured (23)

Median Household Income

\$116,298

Louisville Median **\$50,099**

Cost Burden



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

Tenure

Median Gross Rent **\$1,481**

Louisville Median **\$770**

8% Renters



92% Owners

Median Home Value **\$368,938**

Louisville Median **\$174,400**

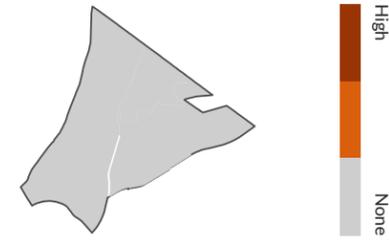
Northeast Metro is home to majority very high income households, and its median gross rent and home value are among the highest in the city. Access to opportunity is high. There are no affordable assisted units in the market area, and there are no homes in need of demolition or repair. There has been plentiful residential development in the past four years as the market area grows.

The vast majority of homes in Northeast Metro are single family detached units, and there are very few opportunities in the market area for renters. There is also a significant housing affordability gap for the few low-income households who live in Northeast Metro. Housing strategies should focus on leveraging the market area's active housing market to protect and promote the ability for diverse residents to thrive.

Potential Strategies

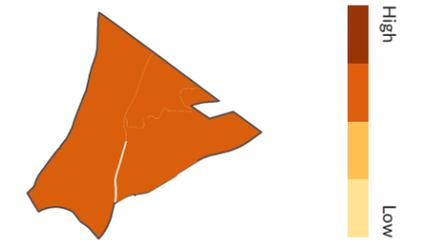
- Dedicate a funding source to sustain affordable housing initiatives.
- Make ground leases on city-owned land available for private development through long-term leases for the construction of market-rate and affordable housing units.
- Transfer City-owned property to a Community Land Trust.
- Allow 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



Northeast Metro has **no vulnerability** to residential displacement due to development pressure.

Neighborhood Opportunity



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

On the Map

- ◆ **1,962** new single-family and multifamily residential construction permits (2013 - 2017)
- ◆ **21** 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
- **7,655** residential parcels
- Nonresidential parcels

