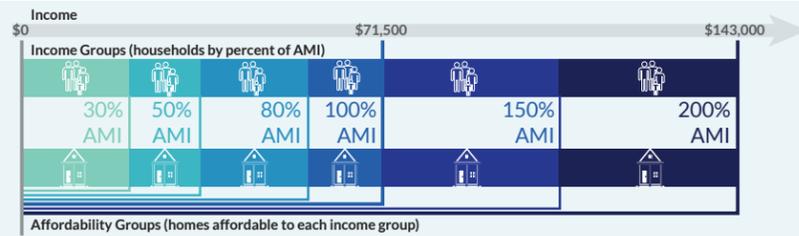


# Affordability Gaps

## 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**.

More than half of all Northwest Core families earn **50% AMI** or less, and there is a shortage of homes affordable to these low-income families.

**Northwest Core does not have enough affordable and available homes for an estimated 2,124 of its 30% AMI families and 808 of its 50% AMI families.**

There are also few homes in higher income affordability groups. This small supply decreases the chances that Louisville families whose income is above **100% AMI** will look for a home in Northwest Core.

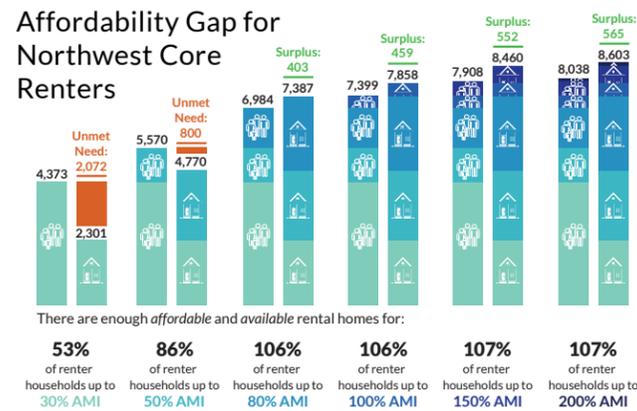
## Affordability Gaps for All Northwest Core Households



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

- 60% of households up to 30% AMI
- 89% of households up to 50% AMI
- 105% of households up to 80% AMI
- 105% of households up to 100% AMI
- 105% of households up to 150% AMI
- 105% of households up to 200% AMI

## Affordability Gap for Northwest Core Renters

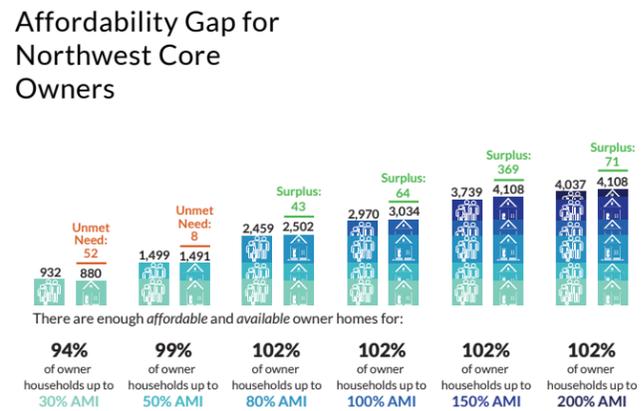


There are enough *affordable* and *available* rental homes for:

- 53% of renter households up to 30% AMI
- 86% of renter households up to 50% AMI
- 106% of renter households up to 80% AMI
- 106% of renter households up to 100% AMI
- 107% of renter households up to 150% AMI
- 107% of renter households up to 200% AMI

In Northwest Core, 66% of households are renters, and over half of those renters have an income at or below **30% AMI**. The housing supply only meets the needs of 53% of **30% AMI** renters.

## Affordability Gap for Northwest Core Owners



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

- 94% of owner households up to 30% AMI
- 99% of owner households up to 50% AMI
- 102% of owner households up to 80% AMI
- 102% of owner households up to 100% AMI
- 102% of owner households up to 150% AMI
- 102% of owner households up to 200% AMI

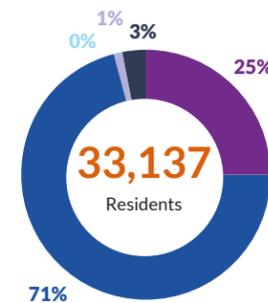
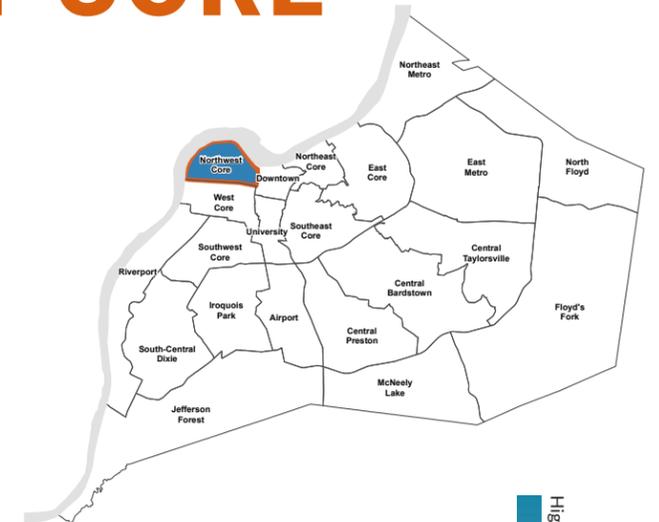
For owners, the low supply of homes affordable to low-income households roughly matches the low demand.

# Louisville Housing Needs Assessment - Housing Market Area Profiles

## NORTHWEST CORE

Urban Neighborhoods: Shawnee, Portland, & Russell

Census tracts: 2, 3, 4, 6, 7, 8, 9, 21, 23, 24, & 30



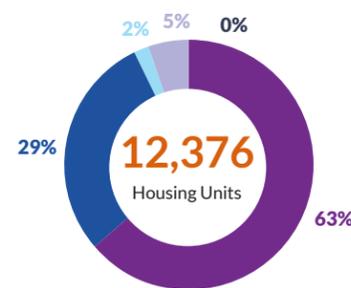
### Race & Ethnicity

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

### Median Household Income

**\$23,230**

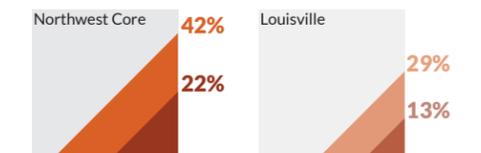
Louisville Median **\$50,099**



### Housing Type

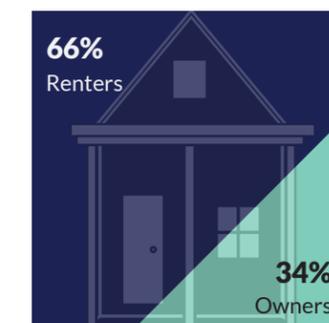
- Single Family Detached (7,820)
- Multifamily (3,643)
- Single Family Attached (239)
- Duplex (622)
- Manufactured (52)

### Cost Burden



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

### Tenure



### Median Gross Rent

**\$622**

Louisville Median **\$770**



### Median Home Value

**\$60,507**

Louisville Median **\$174,400**



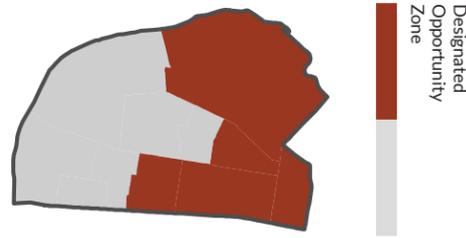
**Northwest Core** currently has relatively low access to key resources and a very high number of homes in need of repair or demolition. There has been little residential construction in the past four years. Yet the market area has been the site of several recent revitalization initiatives, most notably in the Russell neighborhood, and the new federally designated Opportunity Zones present an additional chance to leverage private investment to improve the quality of life in Northwest Core.

Northwest Core has a shortage of housing that is affordable to its residents. Cost burden is high and the rate of ownership is low. There is a high volume of affordable assisted units in the area, but nearly 30 percent will lose their period of affordability within the next five years without intervention. This fact, combined with new investment possibilities, makes Northwest Core residents highly vulnerable to displacement. Revitalization efforts will need to ensure that Northwest Core residents can participate in and benefit from the growth of their neighborhoods.

## Potential Strategies

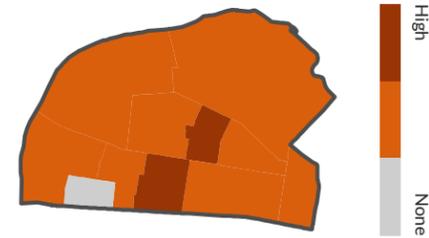
- Freeze real estate property taxes for long-term homeowners and continue to advocate for an end to the sale of delinquent tax bills.
- Provide code lien amnesty and housing rehabilitation to low-income homeowners and to buyers of houses from the Landbank Authority.
- Preserve unsubsidized affordable housing through acquisition.
- 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.
- Transfer City-owned property to a Community Land Trust.
- Make ground leases on City-owned land available for the development of private market-rate and affordable housing units.
- Reduce parking requirements for affordable housing developments located in close proximity to public transit.
- 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.

Federal Opportunity Zones



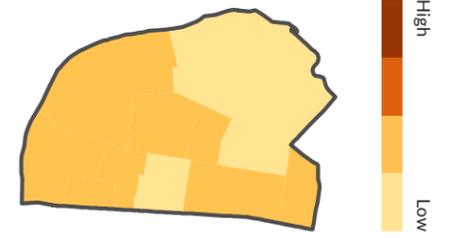
Newly designated Opportunity Zones cover **nearly half of Northwest Core**, one of only four market areas with this designation.

Vulnerability to Displacement



Residents of Northwest Core, especially those closest to Louisville's downtown, are **vulnerable to displacement** due to development pressure.

Neighborhood Opportunity



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

