

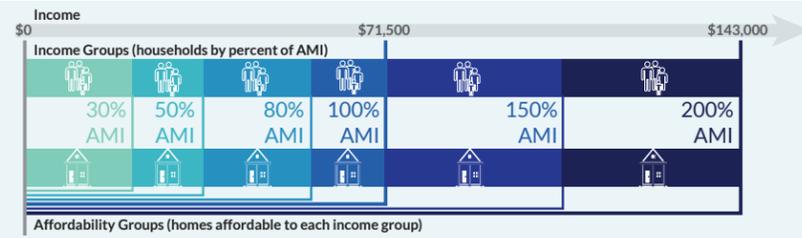
Affordability Gaps

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**.

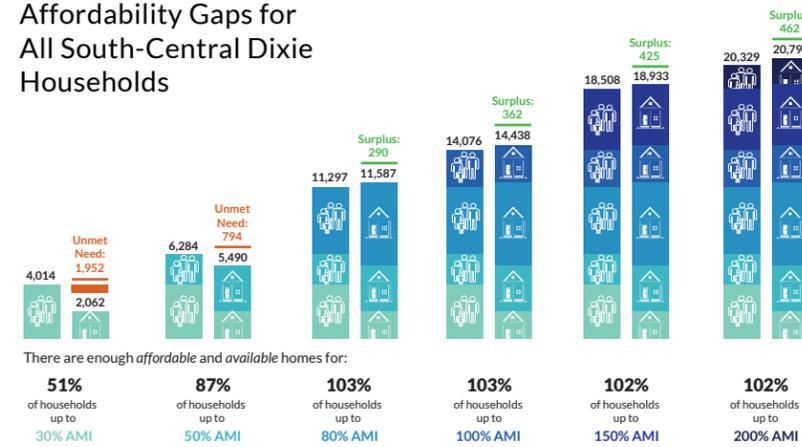
In the Affordability Gap figures below, the **Unmet Need** numbers estimate the total number of additional units that would be needed to close the affordability gap for each income group. Because these numbers are estimates based on sample data, the unmet need for renters and for owners together may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

Around 20 percent of all families in South-Central Dixie earn **30% AMI** or less, but only ten percent of all homes are affordable and available to these families.

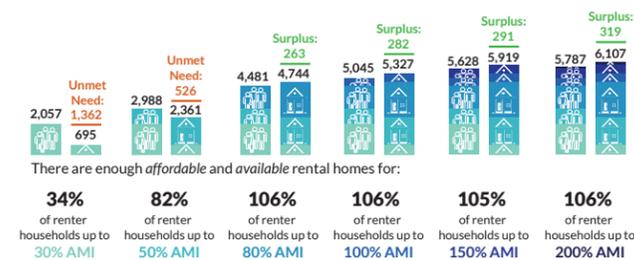
This shortage of affordable and available units for the lowest income group creates an affordability gap that also impacts **50% AMI** households.

South-Central Dixie does not have enough affordable and available homes for an estimated 1,952 of its 30% AMI families and 794 of its 50% AMI families.

Affordability Gaps for All South-Central Dixie Households

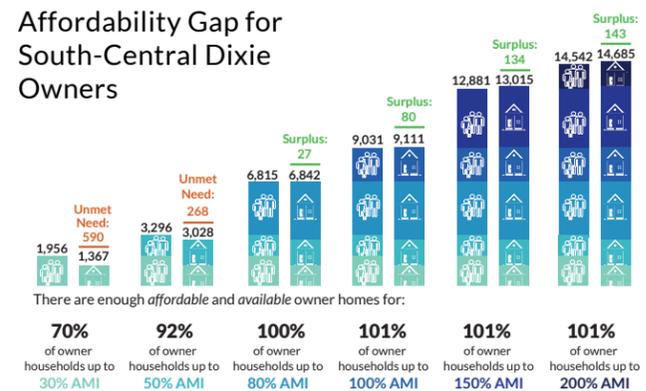


Affordability Gap for South-Central Dixie Renters



There are relatively few renters in South-Central Dixie, but about half earn **50% AMI** or less. The housing stock falls short of meeting the needs of renters in the two lowest income groups.

Affordability Gap for South-Central Dixie Owners

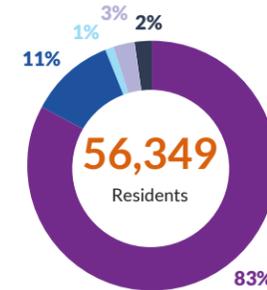
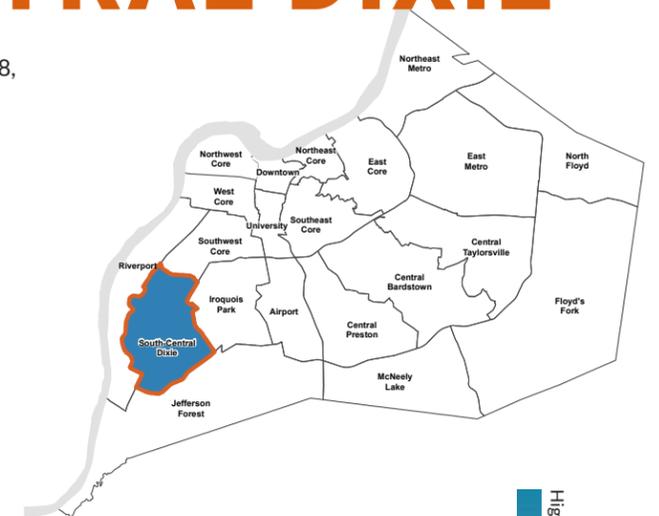


The housing supply meets demand fairly well for South-Central Dixie owners, though there remains a notable affordability gap for the lowest income homeowners.

Louisville Housing Needs Assessment - Housing Market Area Profiles

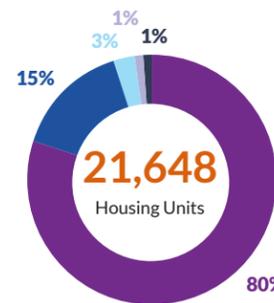
SOUTH-CENTRAL DIXIE

Census tracts: 121.05, 121.06, 122.03, 124.06, 124.07, 124.08, 124.09, 124.10, 124.11, 125.02, 125.03



Race & Ethnicity

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



Housing Type

- Single Family Detached (17,214)
- Multifamily (3,314)
- Single Family Attached (714)
- Duplex (138)
- Manufactured (268)

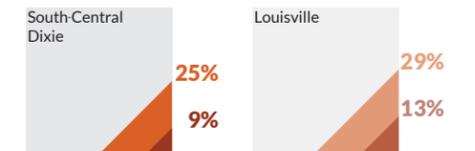
Median Household Income

\$50,254

Louisville Median
\$50,099



Cost Burden



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

Tenure



Median Gross Rent

\$771

Louisville Median
\$770



Median Home Value

\$125,527

Louisville Median
\$174,400



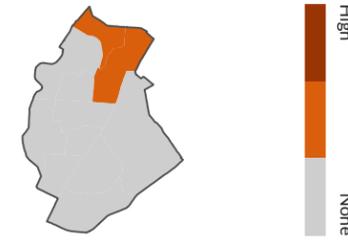
South-Central Dixie has moderate access to key resources and, with the exception of one neighborhood near Cane Run Road, few or no homes in need of repair or demolition. There has been plentiful residential construction in the past four years. There are relatively few affordable assisted units, but few of them will lose their period of affordability within the next five years without intervention.

South-Central Dixie is notable for its relatively diverse mix of income groups and units at varied price points. The market area's median gross rent and home value are comparable to the median in Louisville, and the rate of cost burden is actually lower than the citywide rate. South-Central Dixie's housing affordability gaps are relatively small. Housing strategies should seek to build on and amplify the diversity of the market area by creating new affordable opportunities while bolstering quality of life for current residents.

Potential Strategies

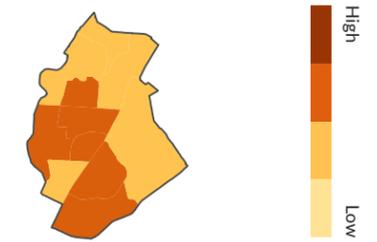
- Freeze real estate property taxes for long-term homeowners and continue to advocate for an end to the sale of delinquent tax bills.
- Provide code lien amnesty and housing rehabilitation to low-income homeowners and to buyers of houses from the Landbank Authority.
- Allow financing of Renter Equity 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.
- 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.

Vulnerability to Displacement

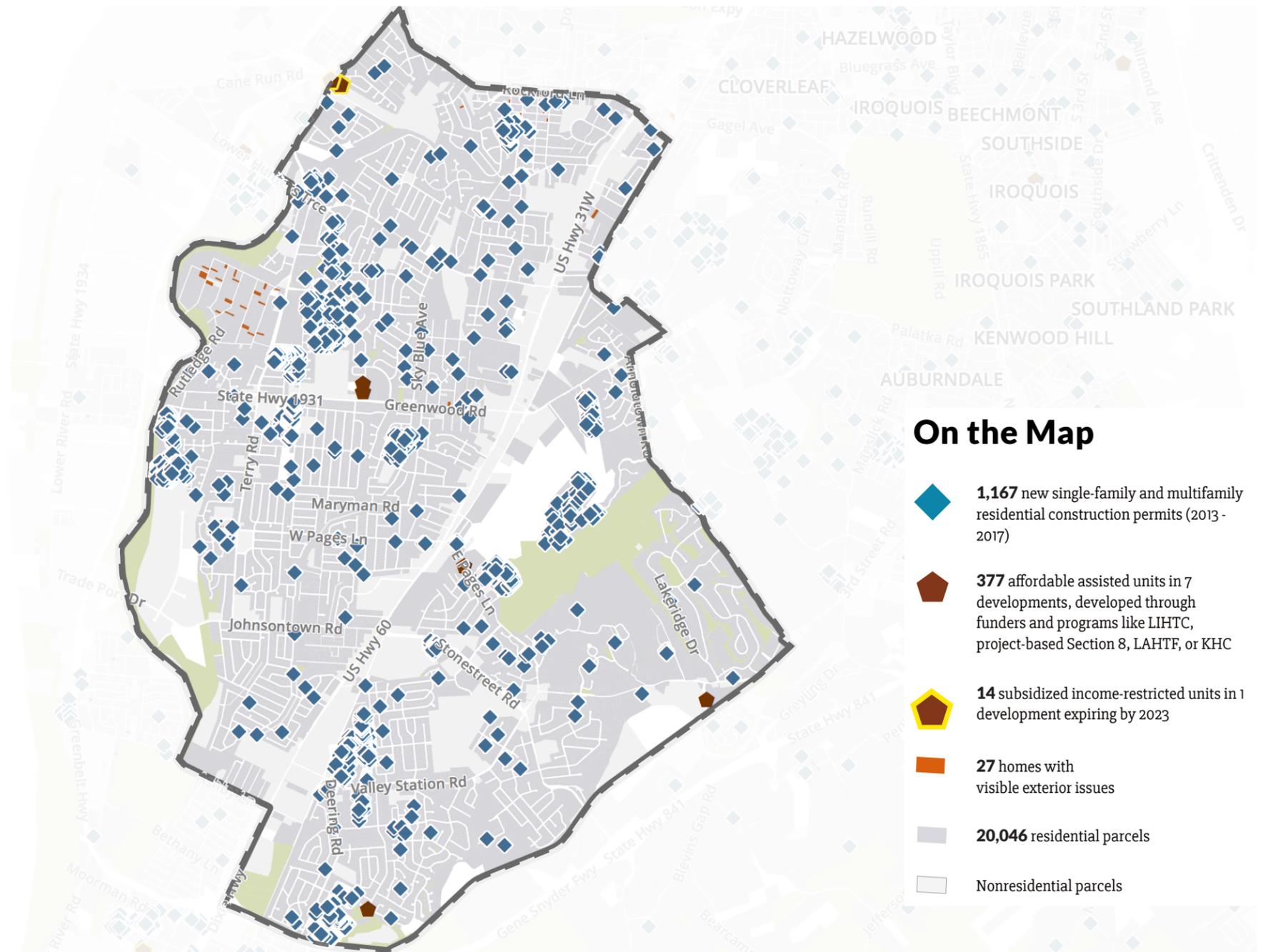


Most of South-Central Dixie has **no vulnerability** to residential displacement due to development pressure, except for a portion near I-264 and Dixie Highway.

Neighborhood Opportunity



South-Central Dixie residents have **moderate access** to key resources like jobs, stable housing, transit, and health hazard mitigation.



On the Map

- ◆ **1,167** new single-family and multifamily residential construction permits (2013 - 2017)
- ◆ **377** affordable assisted units in 7 developments, developed through funders and programs like LIHTC, project-based Section 8, LAHTF, or KHC
- ◆ **14** subsidized income-restricted units in 1 development expiring by 2023
- ◆ **27** homes with visible exterior issues
- ◆ **20,046** residential parcels
- ◆ Nonresidential parcels