

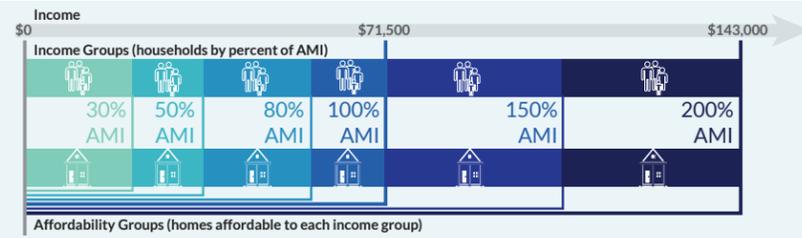
Affordability Gaps

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**.

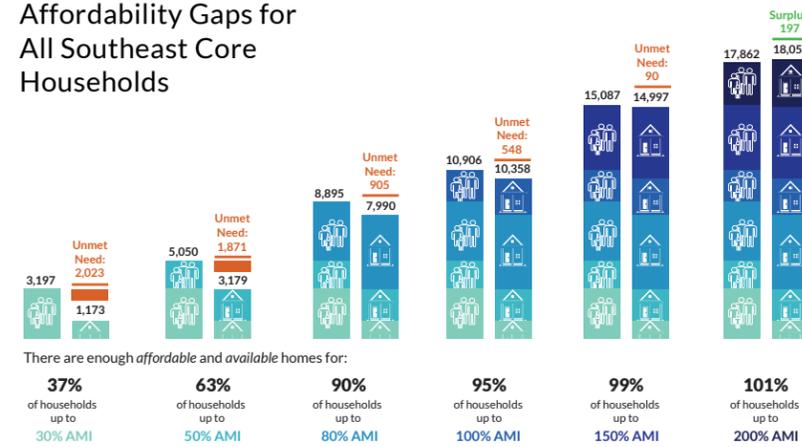
In the Affordability Gap figures below, the **Unmet Need** numbers estimate the total number of additional units that would be needed to close the affordability gap for each income group. Because these numbers are estimates based on sample data, the unmet need for renters and for owners together may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

Less than 30% of families in Southeast Core earn **50% AMI** or less, but there are even fewer homes affordable to these low-income families.

Southeast Core does not have enough affordable and available homes for an estimated 2,023 of its 30% AMI families and 1,871 of its 50% AMI families.

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

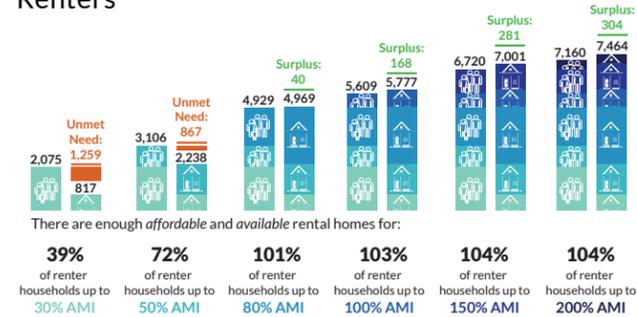
Affordability Gaps for All Southeast Core Households



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



Affordability Gap for Southeast Core Renters

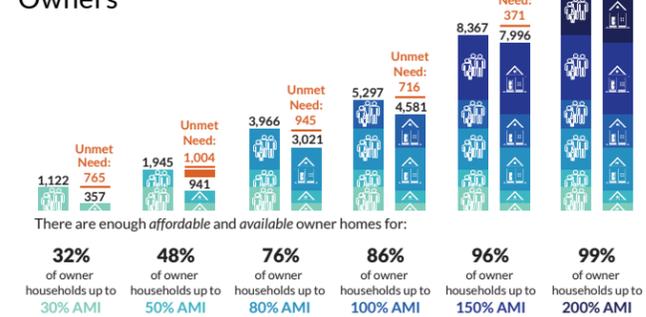


There are enough *affordable* and *available* rental homes for:



Southeast Core renters are primarily concentrated in the lowest income groups, but the housing stock leaves a significant affordability gap for **30% AMI** and **50% AMI** renters.

Affordability Gap for Southeast Core Owners



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



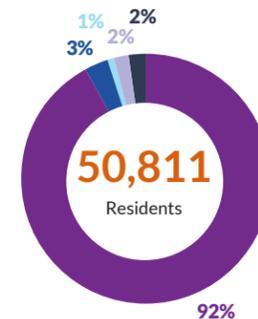
There are few owners with income below **50% AMI** in Southeast Core, but the market area's supply of homes meets the needs of less than half of these low-income owners.

Louisville Housing Needs Assessment - Housing Market Area Profiles

SOUTHEAST CORE

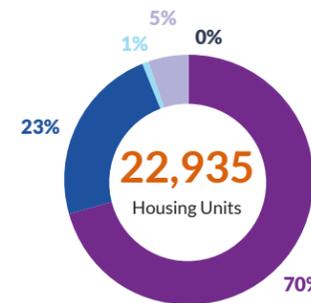
Urban Neighborhoods: Cherokee Triangle, Paristown Pointe, Highlands, Germantown, Tyler Park, Bonnycastle, Highlands Douglass, Deer Park, Schnitzelburg, Poplar Level, Belknap, Hawthorne, Audubon, Gardiner Lane, Hayfield Dundee, Camp Taylor, Prestonia

Census tracts: 63, 64, 68, 69, 70, 82, 83, 84, 85, 88, 89, 93, 94, 96, 97, 131



Race & Ethnicity

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



Housing Type

- Single Family Detached (16,089)
- Multifamily (5,284)
- Single Family Attached (302)
- Duplex (1,204)
- Manufactured (56)

Median Household Income

\$60,725

Louisville Median
\$50,099

Cost Burden



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

Tenure



Median Gross Rent

\$789

Louisville Median
\$770

Median Home Value

\$212,398

Louisville Median
\$174,400

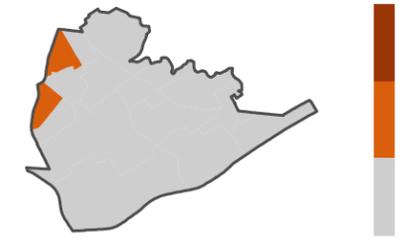
Southeast Core has high access to key resources and few or no homes in need of repair or demolition. There has been plentiful residential construction or rehab in the past four years, especially near Bardstown Road. There are relatively few affordable assisted units, and almost 20 percent of them will lose their period of affordability within the next five years without intervention.

Southeast Core has a relatively high median household income and median housing value. The market area's median gross rent is comparable to the median in Louisville, but the rate of cost burden is lower than the citywide rate. However, there is a significant housing affordability gap for the lowest-income households in Southeast Core. Housing strategies should focus on leveraging the market area's active housing market to protect and promote the ability for diverse residents to thrive in Southeast Core.

Potential Strategies

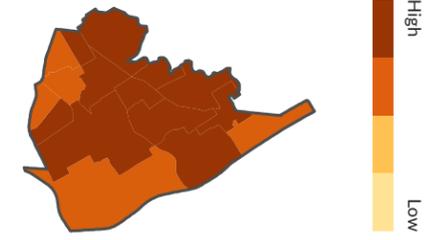
- Dedicate a funding source to sustain affordable housing initiatives.
- Make ground leases on city-owned land available for private development through long-term leases for the construction of market-rate and affordable housing units.
- Transfer City-owned property to a Community Land Trust.
- Allow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

Vulnerability to Displacement



Most of Southeast Core has **no vulnerability** to residential displacement due to development pressure, though there is some vulnerability near Klondike.

Neighborhood Opportunity



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

