

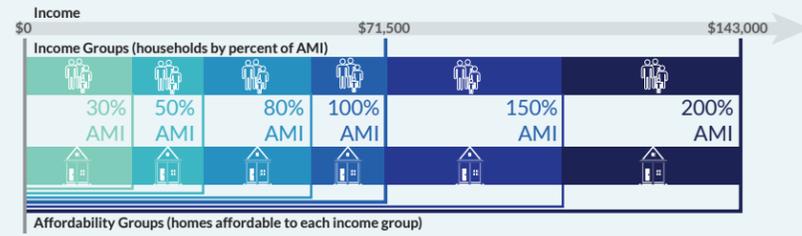
Affordability Gaps

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**.

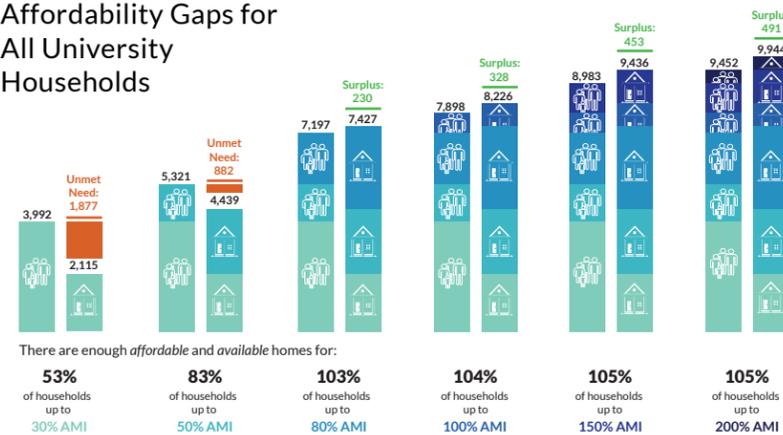
In the Affordability Gap figures below, the **Unmet Need** numbers estimate the total number of additional units that would be needed to close the affordability gap for each income group. Because these numbers are estimates based on sample data, the unmet need for renters and for owners together may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

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

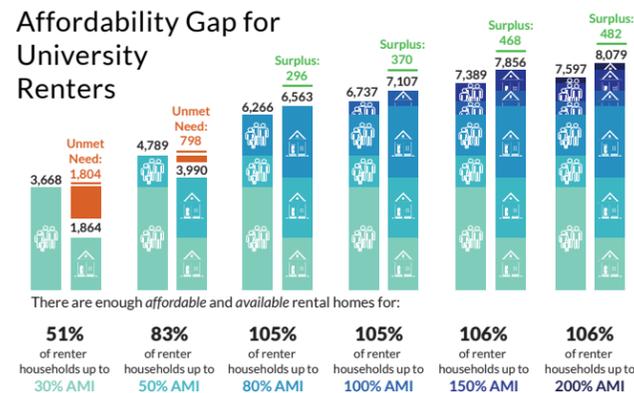
University does not have enough affordable and available homes for an estimated 1,877 of its 30% AMI families and 882 of its 50% AMI families.

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 University.

Affordability Gaps for All University Households

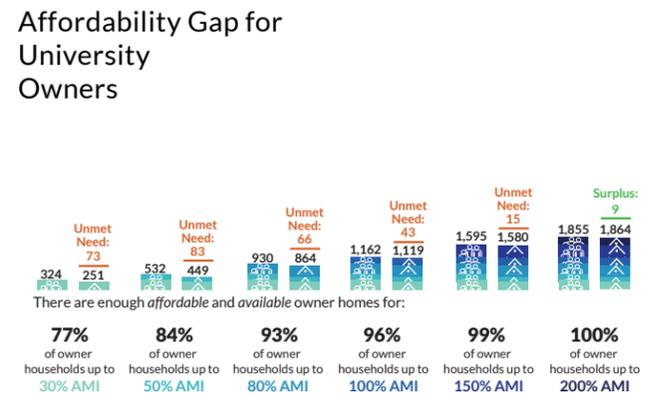


Affordability Gap for University Renters



In University, 77% of households are renters, and nearly half of those renters have an income at or below **30% AMI**. The housing supply can only meet the needs of 51% of **30% AMI** renters.

Affordability Gap for University Owners



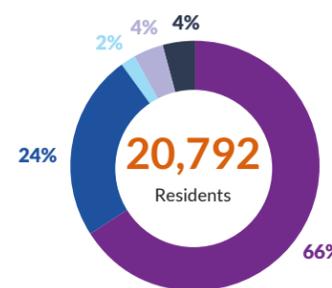
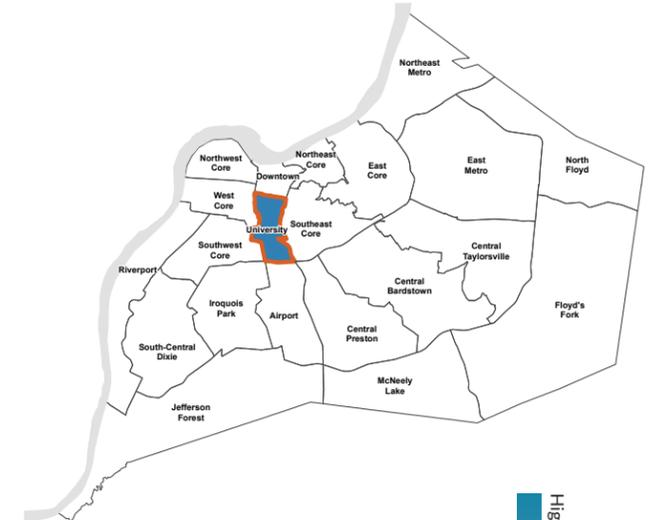
Though there are few homeowners in University, there remains a significant affordability gap among owners earning **50% AMI** or less.

Louisville Housing Needs Assessment - Housing Market Area Profiles

UNIVERSITY

Urban Neighborhoods: Old Louisville, Limerick, Shelby Park, Merriwether, University, Saint Joseph, Fairgrounds

Census tracts: 37, 51, 52, 53, 65, 66, 71



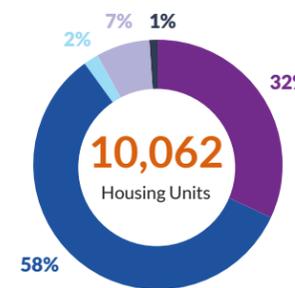
Race & Ethnicity

- White (66%)
- Black/African American (24%)
- Asian (2%)
- Latinx (4%)
- Other (4%)

Median Household Income

\$24,373

Louisville Median **\$50,099**



Housing Type

- Single Family Detached (3,239) (32%)
- Multifamily (5,876) (58%)
- Single Family Attached (205) (2%)
- Duplex (685) (7%)
- Manufactured (57) (1%)

Cost Burden



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

Tenure



Median Gross Rent

\$598

Louisville Median **\$770**



Median Home Value

\$127,422

Louisville Median **\$174,400**



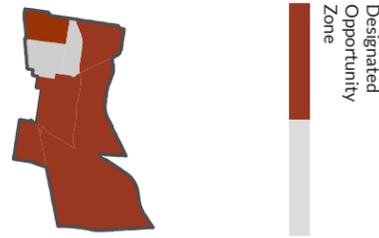
University has varied access to key resources. Multifamily units make up the majority of homes in the market area, but there are frequent exterior housing issues in neighborhoods like Shelby Park and Merriwether where detached homes are more common. There has been little residential construction in the past four years, but rehab and construction are occurring in these neighborhoods. University's proximity to Louisville's downtown and its newly federally designated Opportunity Zones present opportunities to leverage private investment to improve the market area's quality of life.

University 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, and very few of them will lose their period of affordability within the next five years without intervention. Still, new investment possibilities could create development pressures that increase residents' risk of displacement. Revitalization efforts will need to ensure that University 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



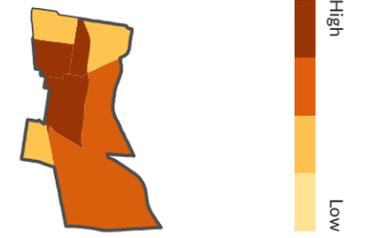
Newly designated Opportunity Zones cover **nearly all of University**, one of only four market areas with this designation.

Vulnerability to Displacement

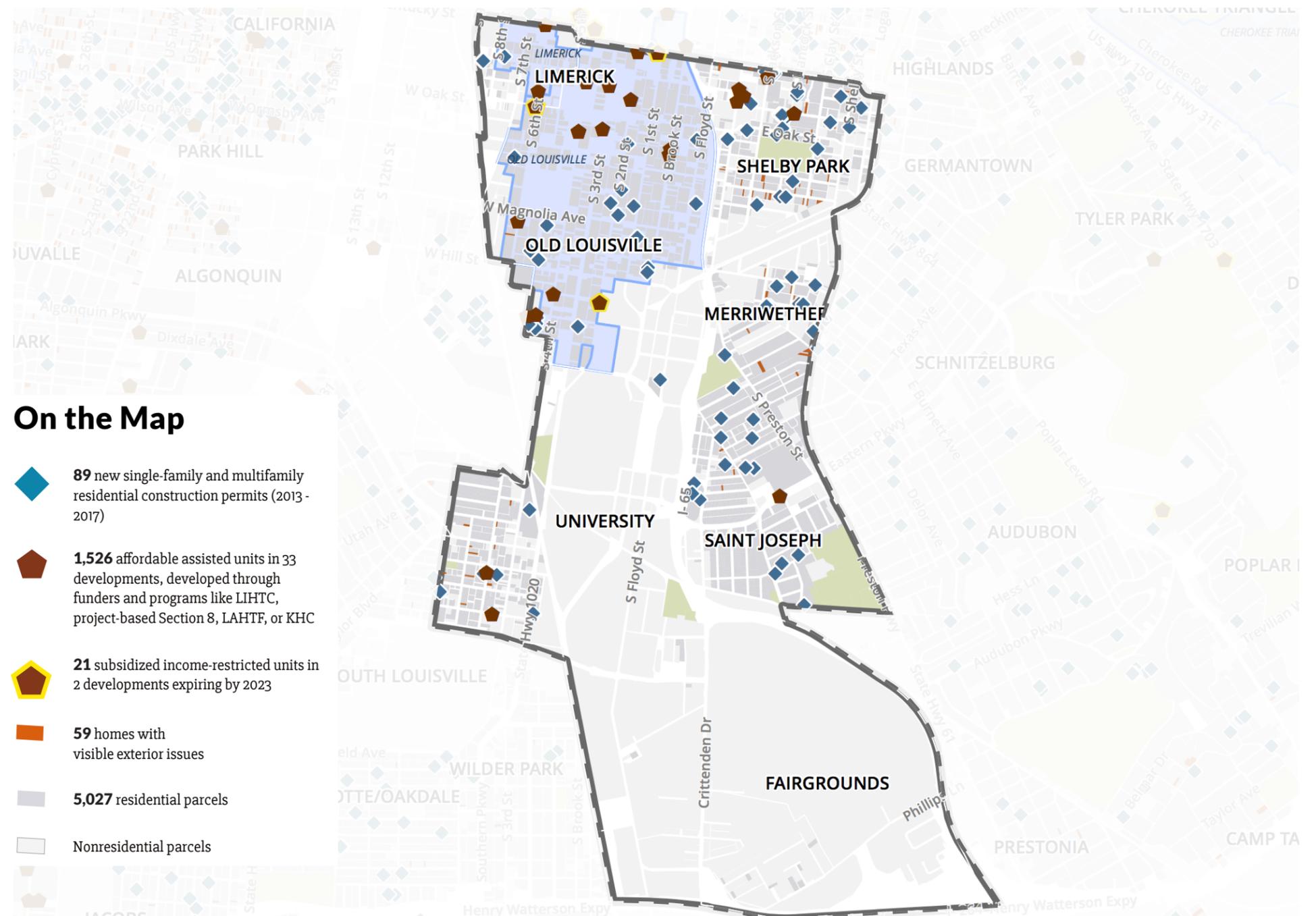


Most of University has **moderate vulnerability** to residential displacement due to development pressure, with higher risk closer to the downtown.

Neighborhood Opportunity



University residents have **varied access** to key resources like jobs, stable housing, transit, and health hazard mitigation.



On the Map

- ◆ **89** new single-family and multifamily residential construction permits (2013 - 2017)
- **1,526** affordable assisted units in 33 developments, developed through funders and programs like LIHTC, project-based Section 8, LAHTF, or KHC
- **21** subsidized income-restricted units in 2 developments expiring by 2023
- **59** homes with visible exterior issues
- **5,027** residential parcels
- Nonresidential parcels