

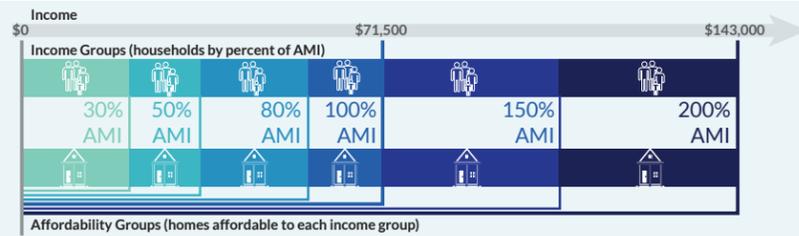
Affordability Gaps

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**.

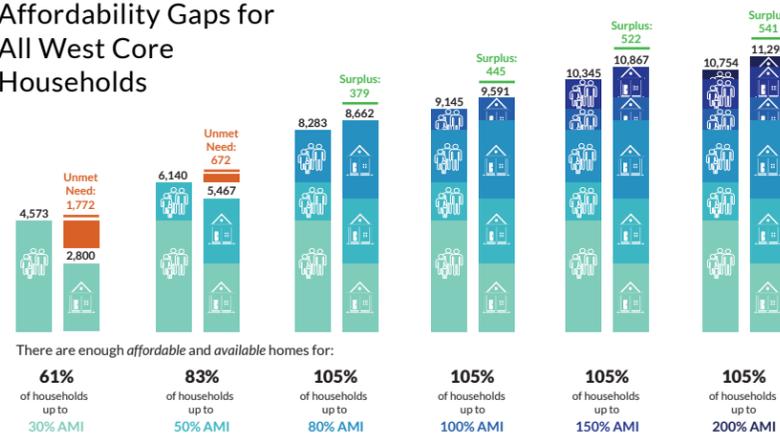
In the Affordability Gap figures below, the **Unmet Need** numbers estimate the total number of additional units that would be needed to close the affordability gap for each income group. Because these numbers are estimates based on sample data, the unmet need for renters and for owners together may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

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

West Core does not have enough affordable and available homes for an estimated 1,772 of its 30% AMI families and 672 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 West Core.

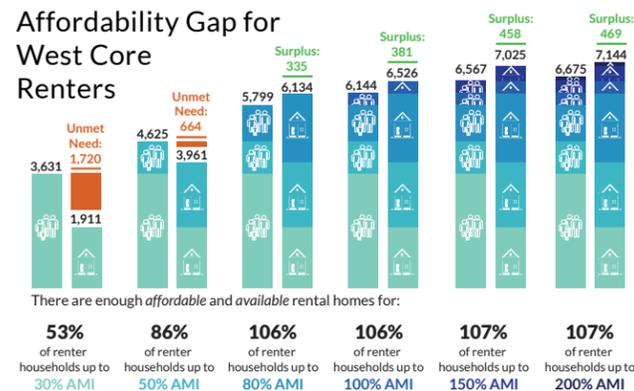
Affordability Gaps for All West Core Households



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

61% of households up to 30% AMI, 83% up to 50% AMI, 105% up to 80% AMI, 105% up to 100% AMI, 105% up to 150% AMI, and 105% up to 200% AMI.

Affordability Gap for West Core Renters

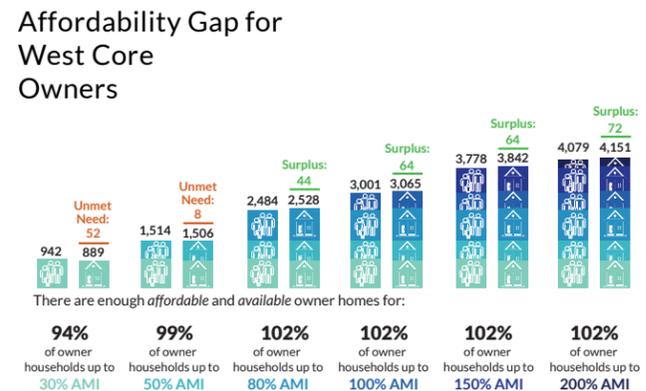


There are enough *affordable* and *available* rental homes for:

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

In West Core, 61% of households are renters, and over half of those renters have an income at or below **30% AMI**. The housing supply can only meet the needs of 53% of **30% AMI** renters.

Affordability Gap for West Core Owners



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

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

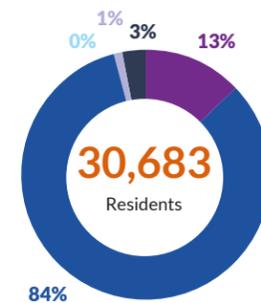
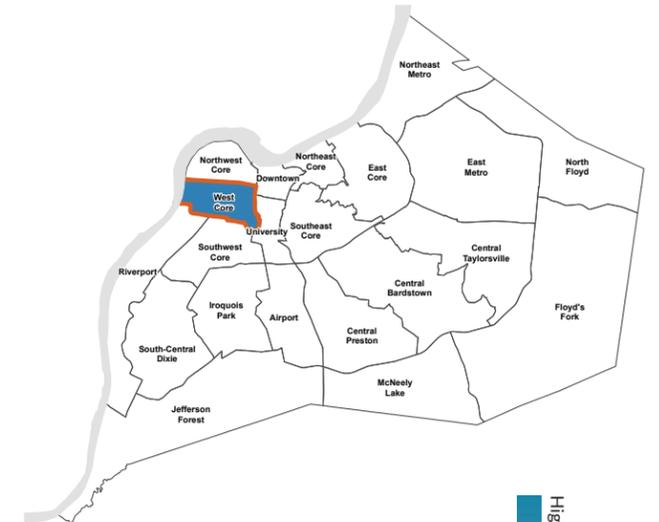
For owners, the low supply of homes affordable to low-income households roughly matches the low demand.

Louisville Housing Needs Assessment - Housing Market Area Profiles

WEST CORE

Urban Neighborhoods: Chickasaw, Parkland, California, Park Hill, Park Duvalle, Algonquin

Census tracts: 10, 11, 12, 14, 15, 16, 17, 18, 27, 28, 35



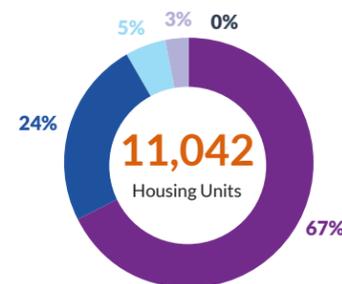
Race & Ethnicity

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

Median Household Income

\$25,249

Louisville Median **\$50,099**



Housing Type

- Single Family Detached (7,412)
- Multifamily (2,647)
- Single Family Attached (572)
- Duplex (386)
- Manufactured (25)

Cost Burden



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

Tenure



Median Gross Rent

\$633

Louisville Median **\$770**



Median Home Value

\$69,770

Louisville Median **\$174,400**



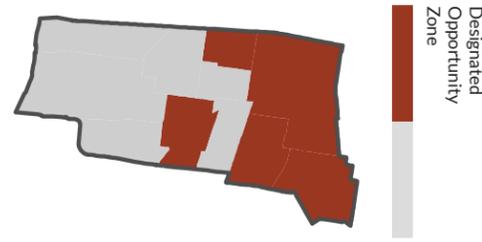
West Core currently has relatively low access to key resources and a very high number of homes in need of repair or demolition. There has been little residential construction in the past four years. Yet the market area has been the site of several recent revitalization initiatives, and the new federally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

Because West Core has such a high concentration of low-income renters, it 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 West Core residents can participate in and benefit from the growth of their neighborhoods.

Potential Strategies

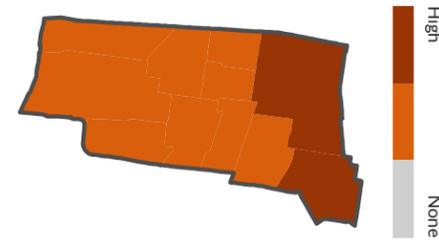
- Freeze real estate property taxes for long-term homeowners and continue to advocate for an end to the sale of delinquent tax bills.
- Provide code lien amnesty and housing rehabilitation to low-income homeowners and to buyers of houses from the Landbank Authority.
- Preserve unsubsidized affordable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



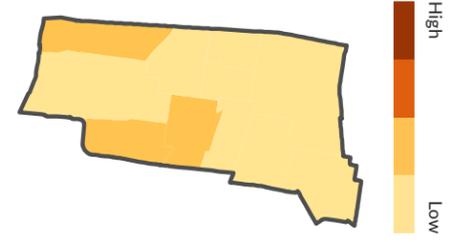
Newly designated Opportunity Zones cover **nearly half of West Core**, one of only four market areas with this designation.

Vulnerability to Displacement



West Core neighborhoods have **moderate to high vulnerability** to residential displacement due to development pressure.

Neighborhood Opportunity



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

