

ZONING IN ON CHANGE:

BUILDING STRONGER COMMUNITIES
THROUGH BOLD ACTION



2024
STATE OF
METROPOLITAN HOUSING
REPORT

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Dear MHC Members and Friends,

Housing is the keystone issue of our community—it impacts educational outcomes, economic opportunity, environmental concerns, health, transportation, and food access. Housing is where jobs go to sleep at night. Solving the housing crisis in our community will make or break the future success of our community. We must make housing opportunity and housing choice a reality for all Louisvillians, across all 26 Metro Council Districts.

Land Development Code (LDC) Reform continues to be a hot button issue for our community. The LDC outlines what you can build, where you can build it, and, ultimately, where people can live or are prevented from living. This is why this reform effort is so important to the people and the future of Louisville. Since the Spring of 2019, a variety of groups have been working to instill the affordable and fair housing vision of Louisville's Comprehensive Plan (Plan 2040)—Louisville's 20-year plan for the built environment—into the LDC, so that it advances equity throughout the community. There have been early successes with passing accessory dwelling units (ADUs) "by right," reducing floor area ratio (far) requirements, and minimizing front yard setbacks. All were done to increase housing options for affordability and diverse types of housing. But there is still work to be done.

As we move into 2025, the work continues on passing Middle Housing "by right," although House Bill 388 has slowed down efforts to accomplish this in the short term, MHC is convinced our community will accomplish this goal. House Bill 388 paused the effort because of annexation efforts in the proposed City of Eastwood in eastern Jefferson County. A small band of community members are trying to draw a red line around 20 square miles of

eastern Louisville/Jefferson County, creating new exclusion zones and declaring these areas off limits to many of our neighbors. The Eastwood effort, rumored annexation efforts in Southwest Louisville, and other NIMBY ("not in my backyard") groups across Louisville should be no surprise, but they are leading the anti-housing – whether that be multifamily, affordable, or middle-housing – efforts to prevent people from accessing stable living situations. This is not acceptable, and we must counter this NIMBY narrative.

A new book entitled *A Key to the City: How Zoning Shapes Our World* was recently published by Sara C. Bronin, an architect, attorney, policymaker, and professor at Cornell University. The book discusses a variety of land use and zoning topics through the lens of an author who served on a city planning commission. She focuses on the creation of communities, infrastructure and the built environment, local economies, household access to amenities, planning commission processes, transportation, environmental concerns, and affordable and accessible housing. The author even discusses controversial topics such as eliminating minimum parking requirements and public hearings for all housing proposals before the planning commission. Overall a short, engaging book on what is a complex topic, Bronin gives the reader good insight into some of the most widely discussed land use and zoning topics across the United States.

Bronin makes a critical statement in chapter 6, which we believe applies to Louisville's community dialogue on land use and zoning:

The task of changing how we organize our living and working environments requires, perhaps above all, an effort of imagination—and not only by planners and civic leaders, but by regular citizens

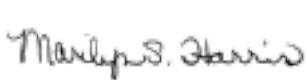
MHC KEY ACCOMPLISHMENTS IN THE LAST YEAR

accustomed to the way things are. The facts around us demand that we question the status quo and revise our assumptions. But we often default to skepticism about alternatives, even to an unexamined and fatalistic belief that this status quo reflects a "natural" state of things. It doesn't. Any given arrangement of social reality is in fact the result of hundreds of decisions made in the past.

And this is what Louisville's Land Development Code Reform effort is all about.

This is why the 2024 State of Metropolitan Housing Report focuses on land use, zoning issues, and the ongoing LDC Reform efforts in Louisville. The report addresses many critical questions, but probably the most pressing questions are around the impact of middle housing on property values and where middle housing is located in Louisville. So, we looked at the research and created a map showing where middle housing is present across the Louisville community in all the historical variations of middle housing—duplexes, triplexes, fourplexes, etc. And, guess what, the opponents of middle housing and upzoning are wrong—middle housing is present in the areas they are trying to prevent it, property values have increased, and rent prices have stabilized in other communities that have built more of it. MHC and our housing advocate partners are on the right side of this debate, and we will keep fighting for fair, accessible, and affordable housing, which is possible with an equitable land development code.

- Launched *EveryHome*—MHC's new initiative to educate, advocate, & engage the community on housing and energy affordability.
- Hosted the 2024 MHC Annual Meeting Dinner on Tuesday, June 6, 2024 at the Mellwood Art Center. The keynote speaker was Dana Bourland, author of *Gray to Green Communities: A Call to Action on the Housing and Climate Crises*.
- Partnered with the Louisville Metro Office of Sustainability on the Buildings Upgrades project through the Buildings Upgrade Prize (BUP) grant from the U.S. Department of Energy (DOE) to expand upon their 2022 Communities Local Energy Action Program (CLEAP) pilot study. This project promotes housing and utility affordability. BUP will create a plan to upgrade an affordable housing building to more efficient energy standards, thereby making the building healthy, green, and reducing energy costs for its occupants. BUP will explore how technology, finance, workforce development, policy, and community engagement can work together to improve quality of life in our communities while creating a healthier environment.



Marilyn Harris
MHC Board Chair



Anthony P. Curtis
MHC Executive Director

- Continued to lead efforts on Phase 2 of Land Development Code (LDC) Reform and building coalitions with the LMG Office of Planning, Center for Health Equity, Louisville Affordable Housing Trust Fund, Age-Friendly Louisville, AARP Kentucky, the League of Women Voters, Louisville Urban League, Association of Community Ministries, Coalition for the Homeless, and many others. MHC helped to build a coalition to support and inform the Center for Health Equity policy brief on middle housing.
- Engaged in advocacy, built coalitions, wrote public comments, and submitted joint letters around several policy, regulatory, and zoning/development cases. MHC was instrumental in pushing the mixed residential development incentive (MRDI) project at Johnson Road across the finish line, which includes eight affordable housing units in an affordable housing desert.
- Played a significant role in the approval of key projects before the Louisville Metro Planning Commission, including the Highgate project located at Johnson Road in East Louisville, a Mixed Residential Development Incentive (MRDI) development that took two and a half years to pass and in securing \$270,000 in monetary benefits for aiding people in the relocation from a trailer park on Minor Lane south of the airport.
- Organized and participated in several 2024 Fair Housing Month events, moderating a panel discussion at the League of Women Voters and partnering with Pushing Forward on barriers to fair housing for individuals with disabilities.
- Continued our work at the Kentucky Public Service Commission on behalf of low- and fixed-income households as a joint intervenor for the Certificate of Public Convenience and Necessity (CPCN)/Demand Side Management (DSM)/Purchase Power Agreements (PPAs) cases before the Commission. MHC has begun work on intervention in the LG&E-KU Integrated Resource Plan (IRP) and is watching for the filing of the next LG&E-KU rate case in early 2025. MHC and our partner joint intervenors are represented by the Kentucky Resources Council and Earthjustice.
- Continued engaging with the Louisville Water Company and MSD through the U.S. Water Alliance on water affordability and equity work. The Louisville Water Affordability Report is scheduled to be released soon.
- MHC Executive Director Tony Curtis represented MHC and graduated from the Leadership Louisville Class of 2024.
- Worked to convene new coalitions of housing justice advocates, developers, professional associations, and business community members to build a cohesive housing narrative and speak with a unified voice for the need for housing in Louisville across the entire housing continuum. We are hard at work to counter the NIMBY narrative on multiple fronts.
- Embarked on a strategic planning effort to focus the vision of MHC's work over the next 3-4 years.

Introduction

A complex mix of factors drives the housing crisis in the United States, including rising home prices, limited housing supply, increased demand, stagnant wage growth, and regulatory barriers. Over the past decade, housing affordability has become a pressing issue as home prices have risen faster than wages. This problem tends to be particularly acute in the urban core and desirable suburban areas where jobs are nearby and concentrated. In most communities, including Louisville/Jefferson County, housing development has not kept pace with demand due partly to land-use restrictions, zoning laws, and rising construction costs.

Most of the land in Louisville/Jefferson County is zoned for single-family homes, excluding the possibility of easing the housing shortage by constructing higher-density, multi-family dwellings. However, there is hope in the form of middle housing, which could significantly address the housing shortage by providing more affordable, diverse housing options within existing neighborhoods. Middle housing is a range of multi-family or clustered housing types compatible with single-family neighborhoods. Examples of middle housing include duplexes, triplexes, fourplexes, townhouses, cottage courts, and walking courts. A cottage court is a group of small, detached homes built around a shared public space, or court, that's visible from the street. A walking court is a group of buildings arranged around a central pedestrian way, with each building on its own lot. The buildings can be attached or detached.

Communities nationwide are starting to reform zoning laws to allow middle housing. This shift towards more equitable and inclusive housing policies could help address the housing crisis in Louisville/Jefferson County.

The 2024 State of Metropolitan Housing Report focuses on the impacts of zoning and land use on Louisville/Jefferson County housing. Middle housing could be an essential tool in the region's efforts to reduce barriers to homeownership.

Demographic Dynamics & Housing Needs

Jefferson County's population growth continues to outpace the growth in available housing units, a trend also observed at the state and national levels. This discrepancy places upward pressure on housing prices and can exacerbate affordability challenges as the demand for housing grows faster than the available supply.

With the population aged 65 and over increasing by 3.3% in Jefferson County between 2012 and 2022, the demand for accessible and senior-friendly housing options is expected to grow. This shift underscores the need for housing that accommodates the preferences of older adults for downsizing and accessible amenities.

Population Growth and Housing Supply

The U.S. population grew by 7.1% between 2012 and 2022, increasing from approximately 309 million in 2012 to about 331 million in 2022. Kentucky's population growth was slower, increasing by 3.8%,

from roughly 4.34 million in 2012 to 4.5 million in 2022. Jefferson County saw a population increase of 5.1%, growing from 741,285 in 2012 to 779,232 in 2022, which is higher than Kentucky's overall growth rate but below the national average (Table 1).

The total housing units in the U.S. also increased by 7.1%, aligning with the rate of population growth. Housing units rose from around 131.6 million in 2012 to 140.9 million in 2022. In Kentucky, housing unit growth was 3.7%, slightly trailing its population growth. Housing units rose from approximately 1.93 million to 1.99 million over the decade. Jefferson County's housing units grew by 5.6%, from 337,349 in 2012 to 356,155 in 2022, which is slightly faster than its population growth rate.

Both population and housing units in Jefferson County have grown at rates below the national average but faster than the state average in Kentucky.

Table 1: Population and Housing Unit Growth, 2012-2022

Total Population	United States	Kentucky	Jefferson County
2012	309,138,711	4,340,167	741,285
2017	321,004,407	4,424,376	764,378
2022	331,097,593	4,502,935	779,232
Percentage Change 2012-2022	7.1%	3.8%	5.1%

Total Housing Units	United States	Kentucky	Jefferson County
2012	131,642,457	1,927,916	337,349
2017	135,393,564	1,965,202	341,885
2022	140,943,613	1,999,202	356,155
Percentage Change 2012-2022	4.1%	1.7%	4.2%

SOURCE: U.S. Census, American Community Survey, 5-year Estimates

Aging Population and Housing Needs

Across the country, the population is aging, and Louisville/Jefferson County is no exception. Over the past decade, the percentage of the population aged 65 years and over has climbed from 13.2% in 2012 to 16.5% in 2022. The same pattern is exhibited in Kentucky and Jefferson County (Table 2 and Chart 1).

In Louisville/Jefferson County, the population 55 to 64 rose by 0.8% between 2012 and 2022, and the population 65 years and over increased by 3.3%. The other age groups each declined.

The relationship between age and housing is complex and influenced by a variety of factors, including income, lifestyle preferences, family dynamics, and stages of life. Here are some key aspects of how age impacts housing needs and choices:

Young Adults (20-34)

- **Preferences and Constraints:** Young adults often rent rather than buy due to financial constraints, such as lower income and student debt. Many in this age group seek flexible, lower-cost housing options, especially in urban areas with proximity to jobs, education, and social amenities.
- **Homeownership Barriers:** High housing costs, down payment requirements, and challenges securing credit make homeownership difficult for many young adults.
- **Trend Toward Urban Living:** Younger adults tend to prefer urban areas where they can access job opportunities, public transportation, entertainment, and social amenities.

Middle-Aged Adults (35-54)

- **Homeownership and Stability:** This group often prioritizes homeownership as they tend to have more stable incomes, larger families, and a desire for community ties. Middle-aged adults will likely seek single-family homes in suburban or semi-urban areas with access to quality schools and family-friendly amenities.
- **Housing as an Investment:** For many in this age range, housing becomes an investment vehicle, and homeownership is often a central part of building personal wealth.
- **Preference for Space and Amenities:** Middle-aged adults are more likely to seek larger homes with amenities such as yards, more bedrooms, and nearby recreational facilities.

Older Adults (55+)

- **Downsizing and Aging in Place:** As individuals age, many seek to downsize to more manageable homes or apartments. Some prioritize accessibility features and proximity to healthcare and social services.
- **Increased Demand for Senior Housing:** There is a growing demand for housing types tailored to older adults, such as age-restricted communities, assisted living, and independent living facilities.
- **Financial Considerations:** Many older adults rely on fixed incomes or retirement savings, influencing their housing choices. Property taxes, maintenance costs, and healthcare expenses often factor heavily into housing decisions.

Impact on Housing Markets and Policies

- **Generational Shifts:** Each age group contributes to housing market dynamics, with younger generations driving demand for rentals and urban living, while older generations often shift towards downsizing or accessible housing.
- **Policy Needs:** Diverse age-related housing needs require adaptive policies. Examples include:
 - » Affordable housing programs for young adults.
 - » Zoning reforms for multi-generational or accessible housing.
 - » Incentives for senior housing development.

Table 2: Population by Age

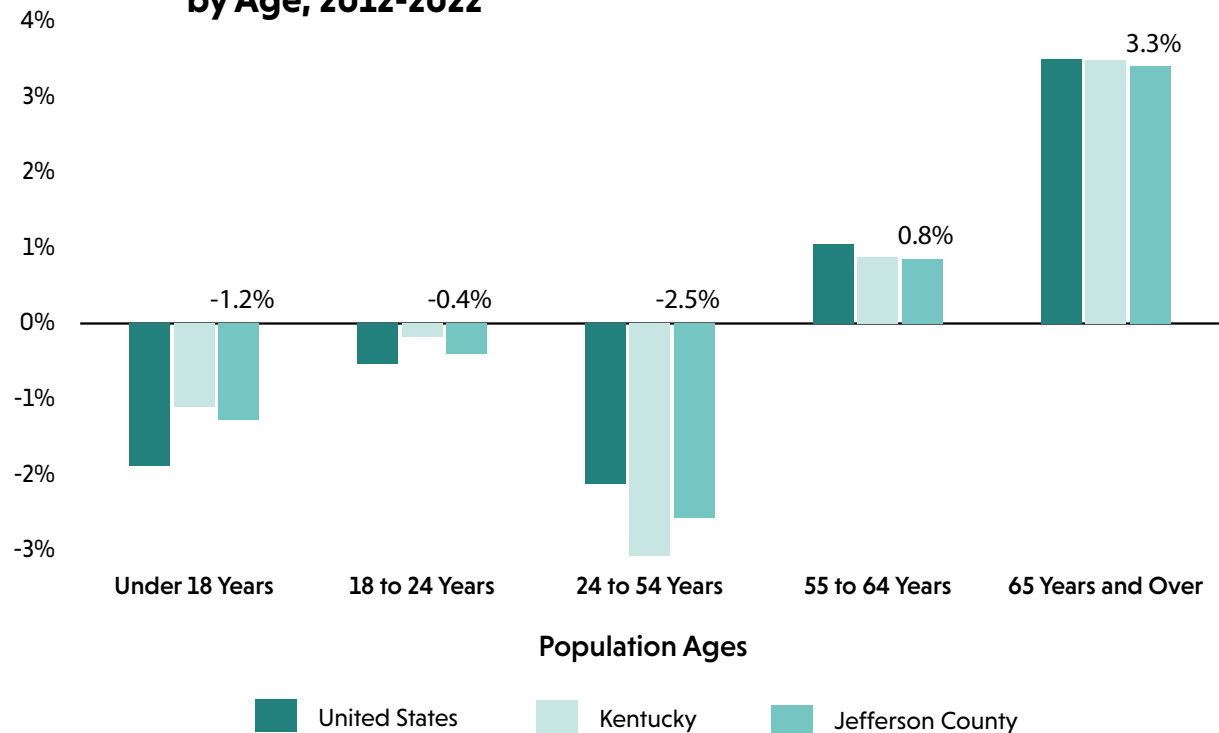
2012	United States	Kentucky	Jefferson County, KY
Total Population	309,138,711	4,340,167	741,285
Under 20 years	83,027,255	1,142,710	189,967
20-34 years	62,959,729	858,596	153,743
35-55 years	85,874,484	1,215,382	206,183
55 years and over	77,277,243	1,123,479	191,392
Percent of Total Population			
Under 20 years	26.9%	26.3%	25.6%
20-34 years	20.4%	19.8%	20.7%
35-55 years	27.8%	28.0%	27.8%
55 years and over	25.0%	25.9%	25.8%

2017	United States	Kentucky	Jefferson County, KY
Total Population	321,004,407	4,424,376	764,378
Under 20 years	82,230,798	1,128,915	189,817
20-34 years	66,546,138	878,775	160,917
35-55 years	83,747,562	1,159,706	197,152
55 years and over	88,479,909	1,256,980	216,492
Percent of Total Population			
Under 20 years	25.6%	25.5%	24.8%
20-34 years	20.7%	19.9%	21.1%
35-55 years	26.1%	26.2%	25.8%
55 years and over	27.6%	28.4%	28.3%

2022	United States	Kentucky	Jefferson County, KY
Total Population	331,097,593	4,502,935	779,232
Under 20 years	82,257,022	1,130,030	189,402
20-34 years	67,627,732	891,402	163,098
35-55 years	83,897,716	1,126,342	193,526
55 years and over	97,315,123	1,355,161	233,206
Percent of Total Population			
Under 20 years	24.8%	25.1%	24.3%
20-34 years	20.4%	19.8%	20.9%
35-55 years	25.3%	25.0%	24.8%
55 years and over	29.4%	30.1%	29.9%

SOURCE: U.S. Census, American Community Survey, 5-year Estimates, 2022

Chart 1: Percent Change in Portion of Total Population by Age, 2012-2022



SOURCE: U.S. Census, American Community Survey, 5-year Estimates, 2022

Change in Household Composition

Table 3 shows that between 2021 and 2022, the number of single-person households in Louisville/Jefferson County rose from 98,704 to 111,571, an increase of 13%. The increase in single-person households is often due to delayed marriage, higher divorce rates, and increased life expectancy leading to widowhood. This trend increases the demand for smaller, affordable housing units like studios, one-bedroom apartments, or compact homes. One-person households account for 43.9% of all renter-occupied housing units compared to just 28% of owner-occupied housing (Table 4).

Table 3: Household Type and Size, 2012-2022

	2012	2017	2022	Percent Change 2012-2022
Total:	307,870	312,747	331,206	8%
Family households:	189,254	188,249	193,727	2%
2-person household	86,908	86,255	90,016	4%
3-person household	46,637	45,185	48,755	5%
4-person or more household	55,709	56,809	54,956	-1%
Nonfamily households:	118,616	124,498	137,479	16%
1-person household	97,747	102,262	112,401	15%
2-person household	16,969	18,832	22,186	31%
3-person household	3,346	2,314	1,902	-43%
4-person or more household	554	1,090	990	79%

SOURCE: U.S. Census, American Community Survey

**Table 4: Household Tenure by Size,
Louisville/Jefferson County**

Total:	336,916	
Owner occupied:	212,995	100%
1-person household	56,868	27%
2-person household	81,655	38%
3-person household	34,152	16%
4-person household	26,111	12%
5-person household	9,190	4%
6-person household	4,224	2%
7-or-more person household	795	0%
Renter occupied:	123,921	100%
1-person household	59,561	48%
2-person household	35,896	29%
3-person household	13,199	11%
4-person household	10,311	8%
5-person household	3,033	2%
6-person household	935	1%
7-or-more person household	986	1%

SOURCE: U.S. Census, American Community Survey

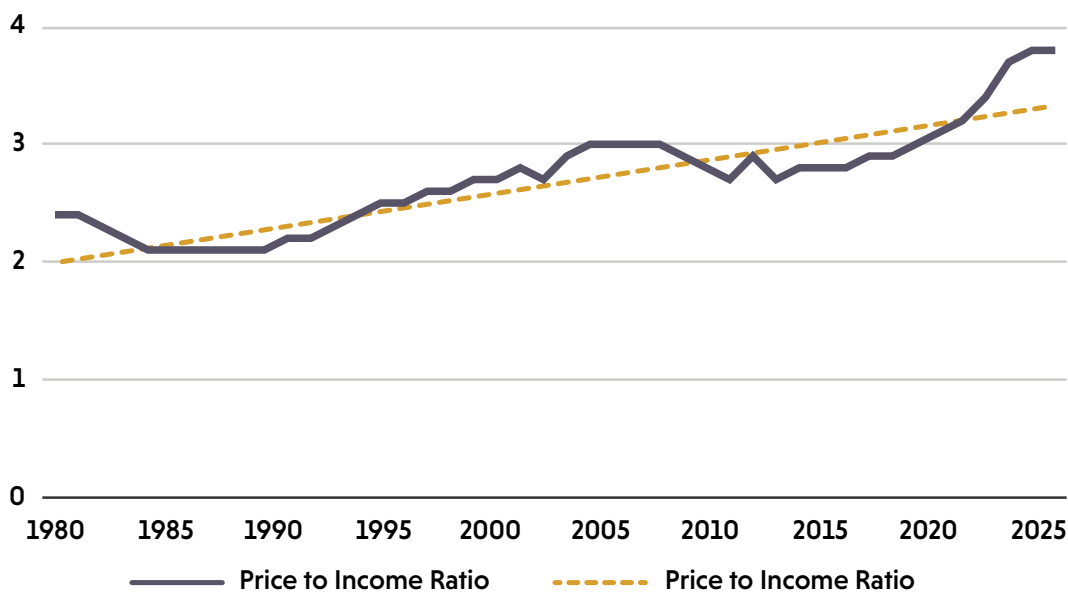
Housing Affordability & Cost Burden

Housing affordability is a pressing concern in Louisville, where recent trends indicate that home prices are rising faster than income levels. Many residents face housing costs that consume a significant portion of their income, limiting their financial resilience. Since September 2019, higher home prices and mortgage rates have driven mortgage payments up by 74%, translating to an average monthly increase of \$690. These shifts are also reflected in lower mortgage approval rates, underscoring the affordability challenges.

Price-to-Income Ratio, Louisville MSA

One way to assess housing affordability is through the home price-to-income ratio, which measures the ratio of the median home price to the median household income. Chart 2 tracks the Price-to-Income Ratio for the Louisville MSA from 1980 to 2023. The 44-year trend reveals a general upward trajectory, suggesting home prices have consistently outpaced household income growth. Brief periods of stability, such as during the 2008 recession, offered only temporary relief, with the overall trend indicating declining affordability over time. Nationally, a vital pillar of the American dream – owning a home – is increasingly out of reach. Nationally, the median house prices are now nearly 6 times the median income. The median income nationally is well below the \$100,000 threshold needed to buy a median-priced home. While housing prices have generally been rising faster than income in Louisville/Jefferson County, the home price-to-income ratio remains well below the national ratio.

Chart 2: Home Price to Income Ratio Increasing



Note: Home prices are the median sale price of existing single-family homes and incomes are the median household income within markets. Income data for 2023 are based on Moody's Analytics forecasts.

SOURCE: JCHS tabulations of National Association of Realtors, Metropolitan Median Area Prices, and Moody's Analytics estimates.

Annual Percentage Change in Home Prices in March (2019-2024), Louisville MSA

The data in Charts 3 and 4 highlight significant price volatility in recent years, with notable price increases impacting homeownership accessibility. The rapid rise in home prices has intensified the challenge of achieving affordable homeownership amidst a volatile housing market. Between the 2nd quarter of 2020 and the 2nd quarter of 2024, the housing price index increased by 42.3% in Louisville, slightly behind the national increase of 50.2%.

Chart 3: House Price Index

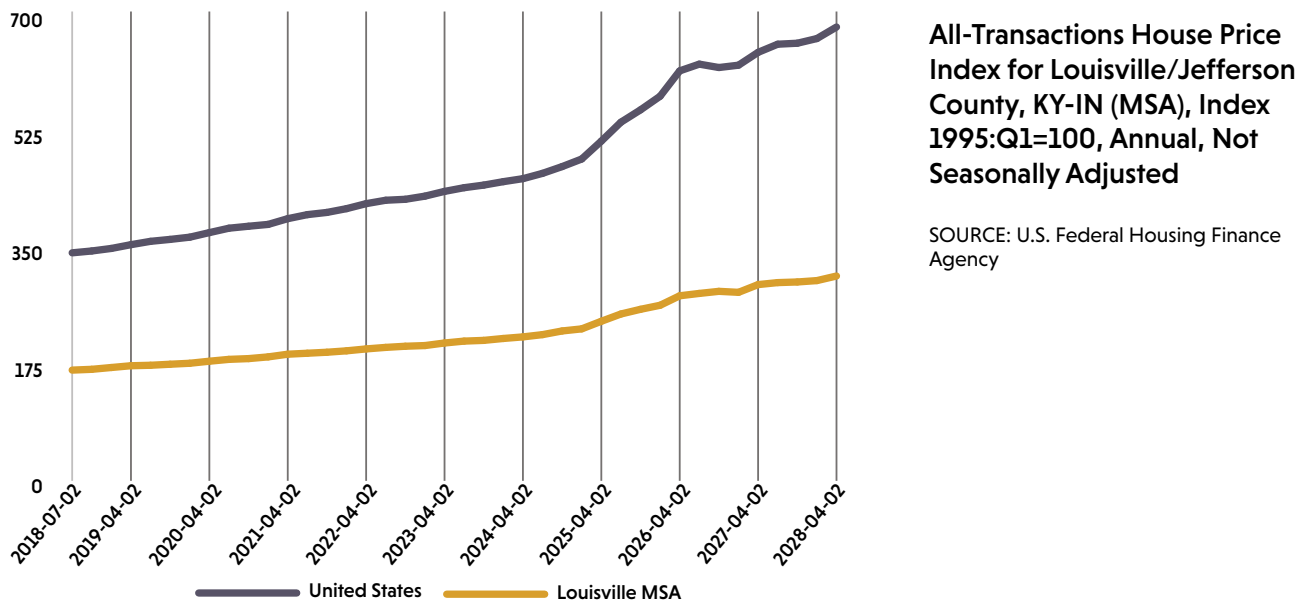
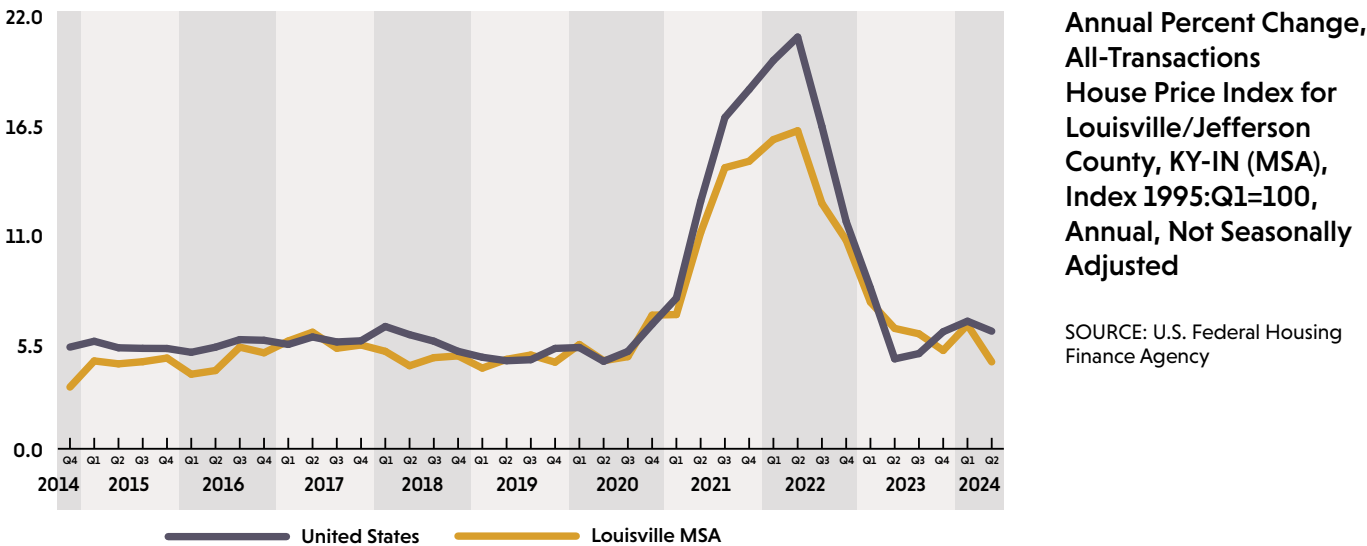


Chart 4: Percent Change from Year Ago in House Price Index



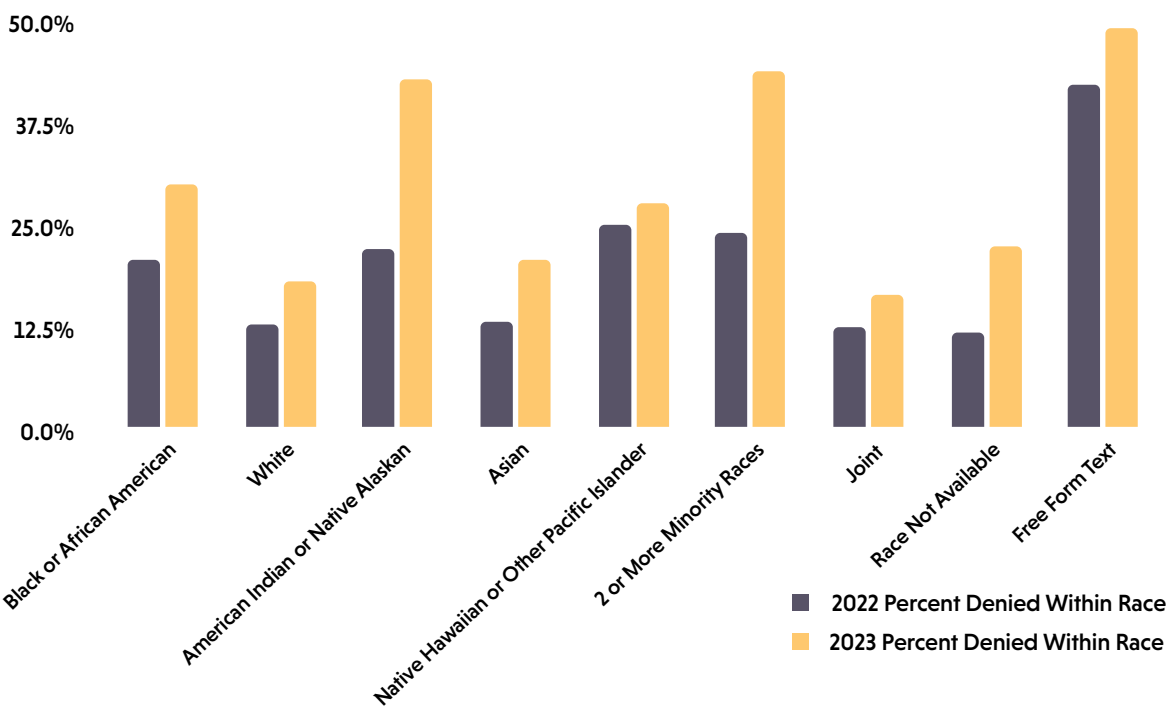
HMDA Loan Application Denial Rates by Race/Ethnicity

The data on Home Mortgage Disclosure Act (HMDA) Loan Application Denial Rates by Race/Ethnicity, shown in Charts 5 and 6, highlight disparities in mortgage application outcomes among racial and ethnic groups. The HMDA, enacted in 1975, requires financial institutions to report public loan data, helping to ensure fair lending practices and providing transparency in mortgage lending trends. Specifically, Black and Hispanic applicants experienced higher denial rates than White and Asian

applicants. These trends suggest ongoing obstacles to accessing mortgage financing for certain communities. By exposing these disparities, HMDA data plays a crucial role in identifying and addressing barriers to fair housing access, as it allows policymakers and advocates to monitor and promote equity in mortgage lending practices. This disparity in loan approvals contributes to housing affordability and homeownership challenges for some groups.

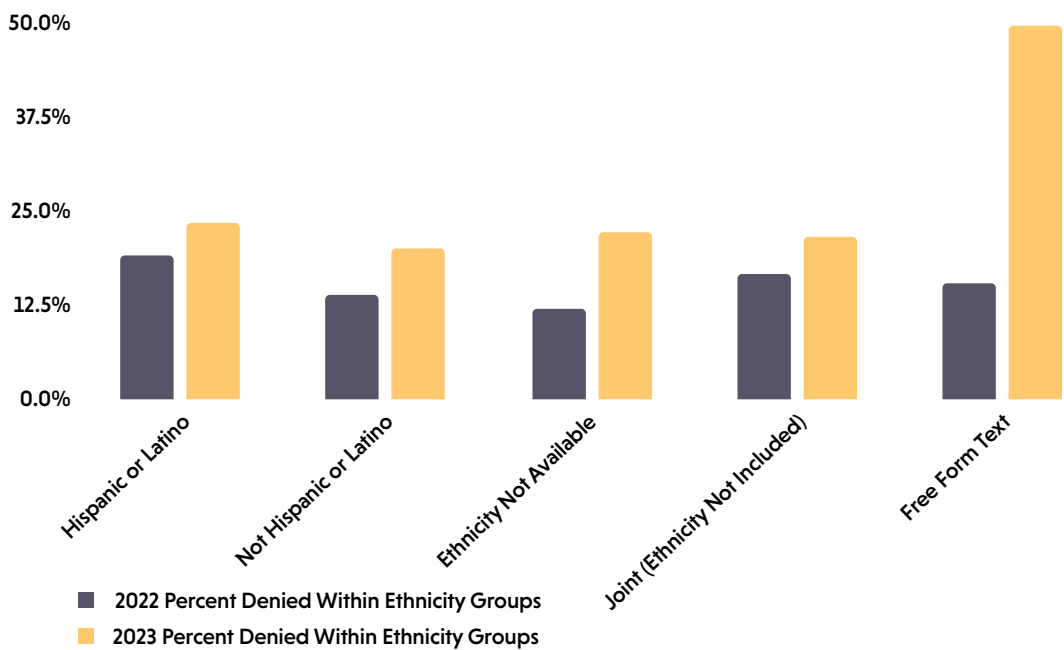


Chart 5: HMDA Loan Application Denial Rate by Race



SOURCE: Home Mortgage Disclosure Act (HMDA); Consumer Financial Protection Bureau

Chart 6: HMDA Loan Application Denial by Ethnicity



Note: Home prices are the median sale price of existing single-family homes and incomes are the median household income within markets. Income data for 2023 are based on Moody's Analytics forecasts.

SOURCE: Home Mortgage Disclosure Act (HMDA); Consumer Financial Protection Bureau

Dual Impact of Rising Prices and Interest Rates on Average Monthly Mortgage Payment, Louisville, MSA

Table 5 below illustrates the dual impact of rising home prices and mortgage rates on the average monthly mortgage payment for single-family homes in Louisville. Since 2020, the median sales price for single-family homes in Louisville has increased by over 26%, while the average 30-year fixed mortgage interest rate has more than doubled, rising from 3.11% in September 2020 to 6.71% in September 2024. This combination has led to a **74% increase in the average monthly mortgage payment, adding approximately \$690 or an additional \$8,280 annually**. This substantial rise significantly amplifies the financial strain on homebuyers and could potentially negatively impact the housing market in Louisville.

Table 5: Estimated Average Monthly Mortgage for Median Sales Price Home, Louisville

	Median Sales Price Single-Family Homes	30-Year Fixed Rate Mortgage Average (U.S.)	Estimated Average Monthly Mortgage*
Sept. 2020	\$210,000	3.11	\$933
Sept. 2021	\$235,000	2.96	\$1,021
Sept. 2022	\$240,000	5.34	\$1,307
Sept. 2023	\$242,000	6.81	\$1,500
Sept. 2024	\$264,950	6.71	\$1,623
Percent Change 9/20 to 9/24	26.2%		74.0%

SOURCE: Refin, Freddie Mac, Bankrate
*Estimate includes principal and interest, property taxes, homeowner's insurance, assuming a 30-year fixed rate mortgage with a 20 percent down payment.

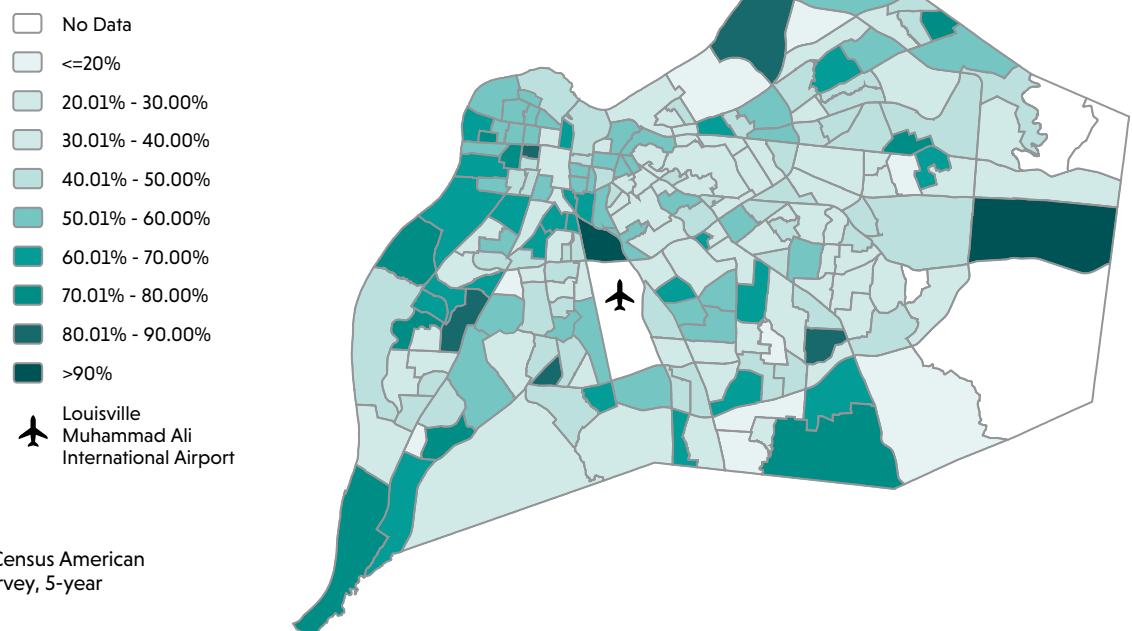
Housing Cost Burden by Census Tract

Maps 1 and 2 show the percentage of owner-occupied and rental households spending more than 30% of their income on housing. These maps indicate significant housing cost burdens across Louisville neighborhoods, with sizable differences across neighborhoods. The data reveal that a high percentage of renters across the county spend over 30% of their income on housing, highlighting widespread affordability challenges.

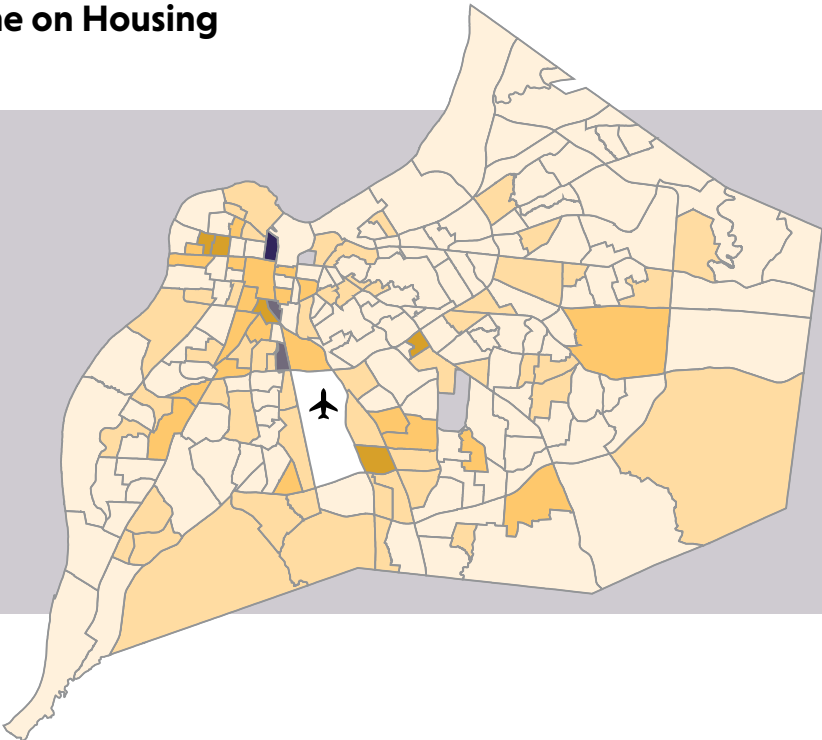
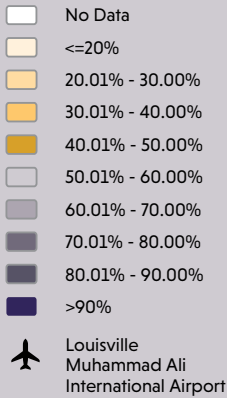
According to the 2022 American Community Survey, the median gross rent nationally was \$1,268, compared to \$1,045 in Jefferson County, making Louisville's rent approximately 17.6% lower than the national median. However, the median household income is also lower than the national median, which impacts housing affordability in the area. As a result, 42.3% of renter households in Louisville/Jefferson County spend more than 30% of their income on rent, higher than the state rate of 39.4% and only slightly below the national rate of 46.4%.

Map 3, which shows median gross rent by census tract, highlights areas with higher rent levels and underscores the city's ongoing housing affordability challenges. Nationally, median gross rent as a percentage of household income is 30%, compared to 27.6% in Kentucky and 27.9% in Louisville/Jefferson County, which, despite lower rents, still reveals a substantial housing burden due to lower incomes.

Map 1: Percentage of Renters Spending 30% or More of Income on Housing by Census Tract, 2022

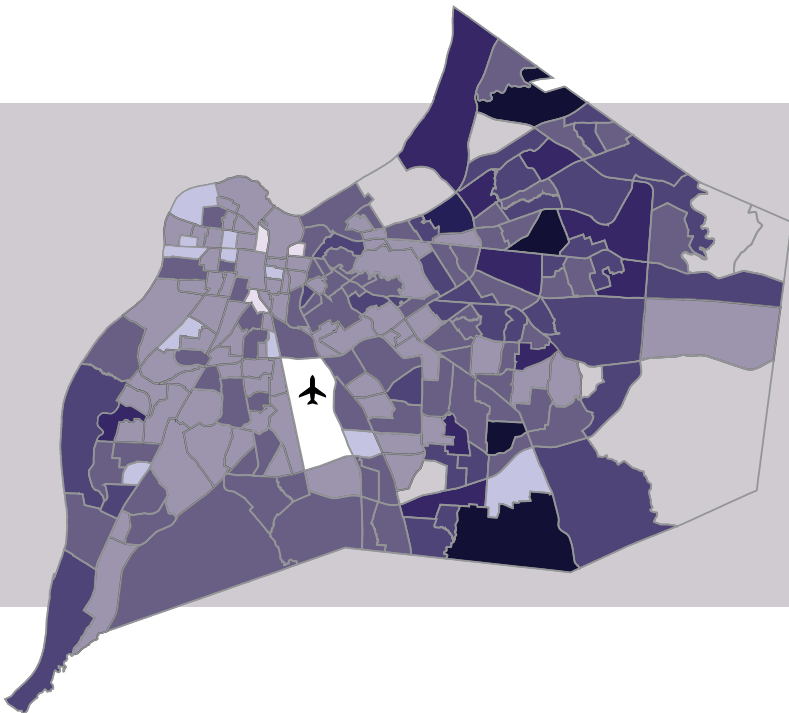
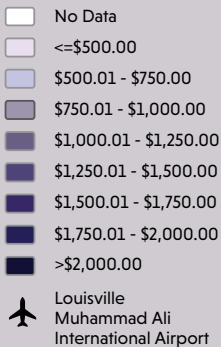


Map 2: Percentage of Owner-Occupied Household Spending 30% of More of Income on Housing by Census Tract, 2022



SOURCE: U.S. Census American Community Survey, 5-year Estimates, 2022

Map 3: Median Gross Rent by Census Tract, 2022



SOURCE: U.S. Census American Community Survey, 5-year Estimates, 2022

Housing Types & Distribution

Louisville's housing landscape includes a mix of single-family homes, multifamily units, and middle housing types, reflecting diverse residential preferences and zoning policies. This section presents maps and data on the distribution and density of housing types across Louisville, offering insights into housing composition, density, and variety by neighborhood.

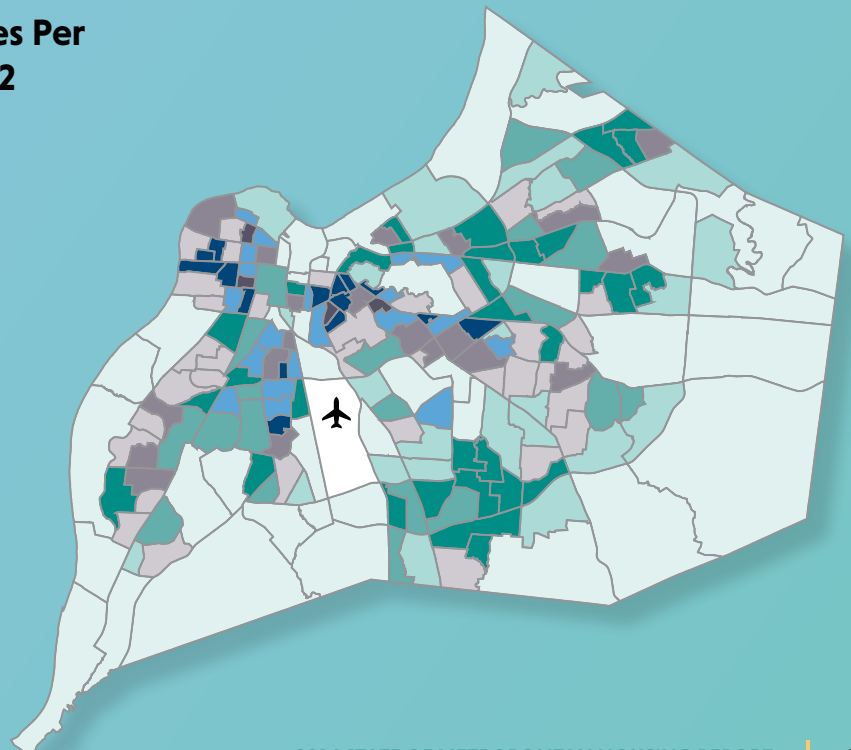
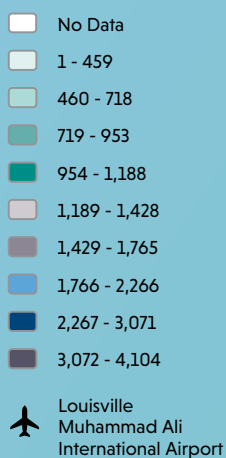
Number of Single-Family Homes Per Square Mile by Census Tract, 2022

Map 4 shows the density of single-family homes per square mile by census tract in Louisville, KY, as of 2022. Areas with the highest density of single-family homes are in the darker shades, and are mainly concentrated in central and northeastern Louisville. In contrast, census tracts with lower densities (in the lighter shades) are more common in suburban areas of the county. Lower-density tracts around Louisville

Muhammad Ali International Airport may reflect commercial or industrial zoning that limits residential housing.

Nationally, there are 40 housing units per square mile compared to a significantly higher 937 units per square mile in Jefferson County. However, this comparison can be misleading. Much of the land area in the United States is rural and sparsely populated, lowering the national average. For a more accurate comparison, Table 6 shows housing density for selected counties. While Jefferson County is more densely populated than Fayette County, Kentucky (approximately 515 housing units per square mile), its density is substantially lower than that of Cuyahoga County, Ohio, which has 1,347 units per square mile. In general, more populous regions, especially urbanized counties, tend to have higher housing densities, all else being equal.

Map 4: Total Single-Family Homes Per Square Mile by Census Tract, 2022



SOURCE: U.S. Census 2022 ACS 5 Year Estimates; U.S. Census 2023 Annual Geographic Information Table

Table 6: Housing Density for Selected Counties, 2020

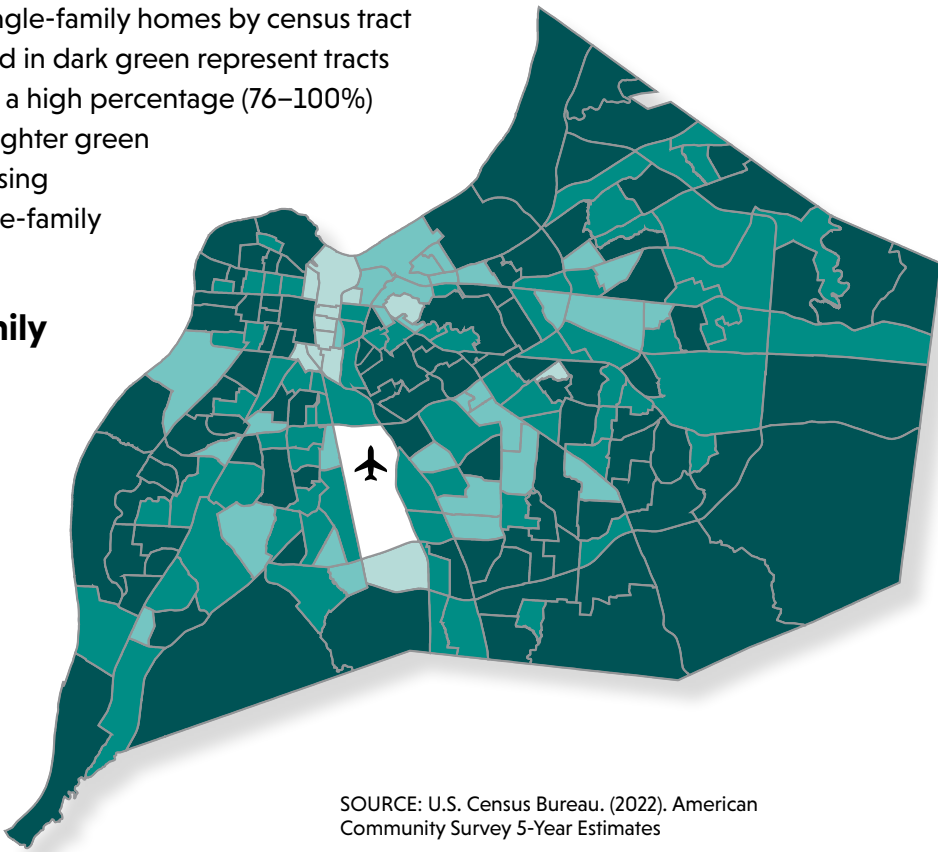
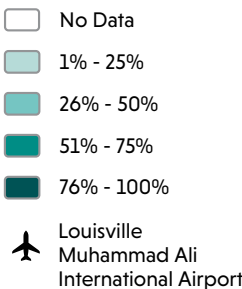
County, State (Major city)	Land Area in Square Miles	Number of Housing Units	Housing Units per Square Mile
Wyandotte County, KS (Kansas City, KS)	151.6	68,475	451.7
Fayette County, KY (Lexington)	283.9	146,142	514.8
Shelby County, TN (Memphis)	761.3	400,189	525.7
Jackson County, MO (Kansas City, MO)	604.5	329,579	545.2
Bexar County, TX (San Antonio)	1,240.3	794,173	640.3
Davidson County, TN (Nashville)	503.5	328,309	652.1
Allegheny County, PA (Pittsburgh)	730.0	602,095	824.8
St. Louis County, MO (St. Louis)	508.0	443,653	873.3
Mecklenburg County, NC (Charlotte)	523.6	478,966	914.8
Hamilton County, OH (Cincinnati)	405.5	379,015	934.7
Jefferson County, KY (Louisville)	380.8	356,887	937.2
Hennepin County, MN (Minnesota)	554.0	555,779	1,003.2
Franklin County, OH (Columbus)	532.4	580,903	1,091.1
Marion County, IN (Indianapolis)	396.0	436,998	1,103.5
Wayne County, MI (Detroit)	611.8	790,191	1,291.6
Cuyahoga County, OH (Cleveland)	457.2	615,825	1,346.9
United States	3,532,316	140,498,736	39.8

SOURCE: U.S. Census, 2020 Decennial Census Profiles

Percentage of Single-Family Homes by Census Tract, 2022

Map 5 illustrates the percentage of single-family homes by census tract in Louisville, KY, for 2022. Areas shaded in dark green represent tracts where single-family homes constitute a high percentage (76–100%) of the housing stock. In contrast, the lighter green tracts have a more diverse mix of housing types with lower percentages of single-family homes.

Map 5: Percentage of Single-Family Homes by Census Tract, 2022



SOURCE: U.S. Census Bureau, (2022). American Community Survey 5-Year Estimates

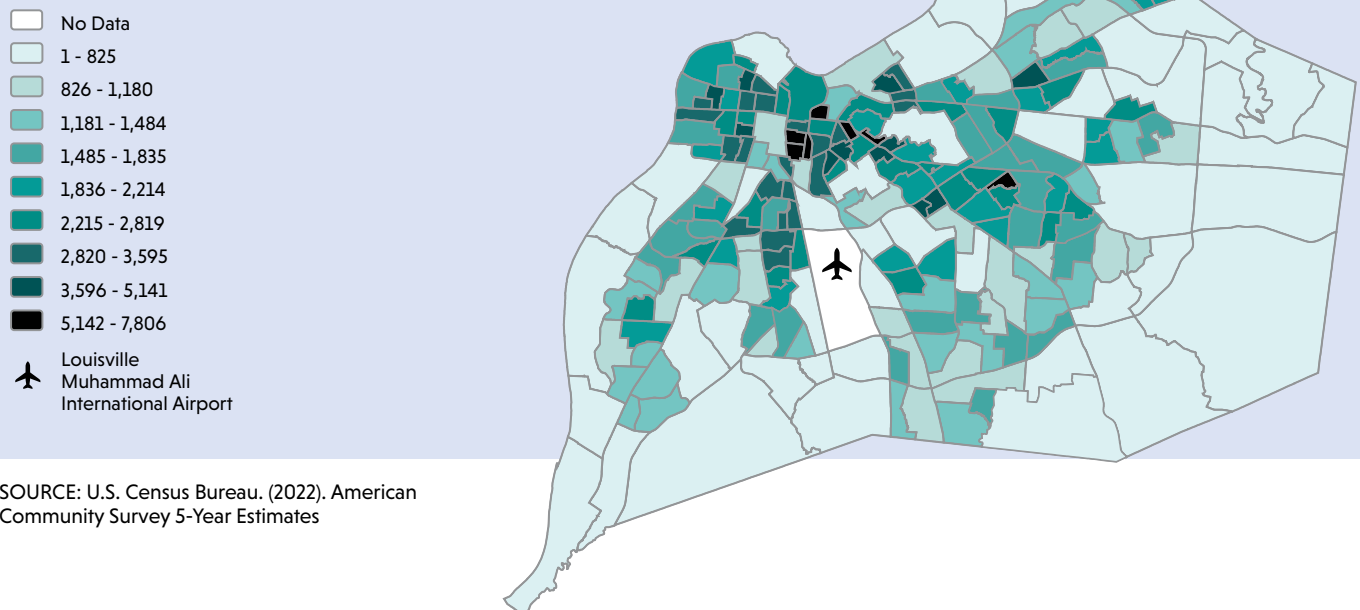
Comparison with Density Map

While the Map 5 highlights areas with high single-family home density, Map 6 shows the proportion of single-family homes within each tract. Some tracts with high numbers of single-family homes do not necessarily dominate in percentage terms, indicating a diverse housing mix in selected neighborhoods.

Map 6 represents the density of all housing units per square mile, not limited to single-family homes, by census tract in Louisville, KY, as of 2022. High-density areas, marked in darker colors, are concentrated in the central parts of the city, with lower-density housing units spread outwards toward the suburban and rural tracts. The distribution likely reflects areas with a mix of multifamily and single-family housing types, with central tracts potentially having a higher share of apartments and other high-density residential buildings.

Compared to the previous map, showing only single-family homes, Map 6, highlighting total housing units, shows a broader distribution of high-density tracts. While single-family homes are concentrated in certain neighborhoods, this total unit map highlights additional density in areas likely containing multifamily complexes, indicating a more diverse housing mix. The contrast between the two maps emphasizes the role of multifamily housing in increasing overall residential density in Louisville's urban core.

Map 6: Total Housing Units Per Square Mile by Census Tract, 2022



SOURCE: U.S. Census Bureau. (2022). American Community Survey 5-Year Estimates

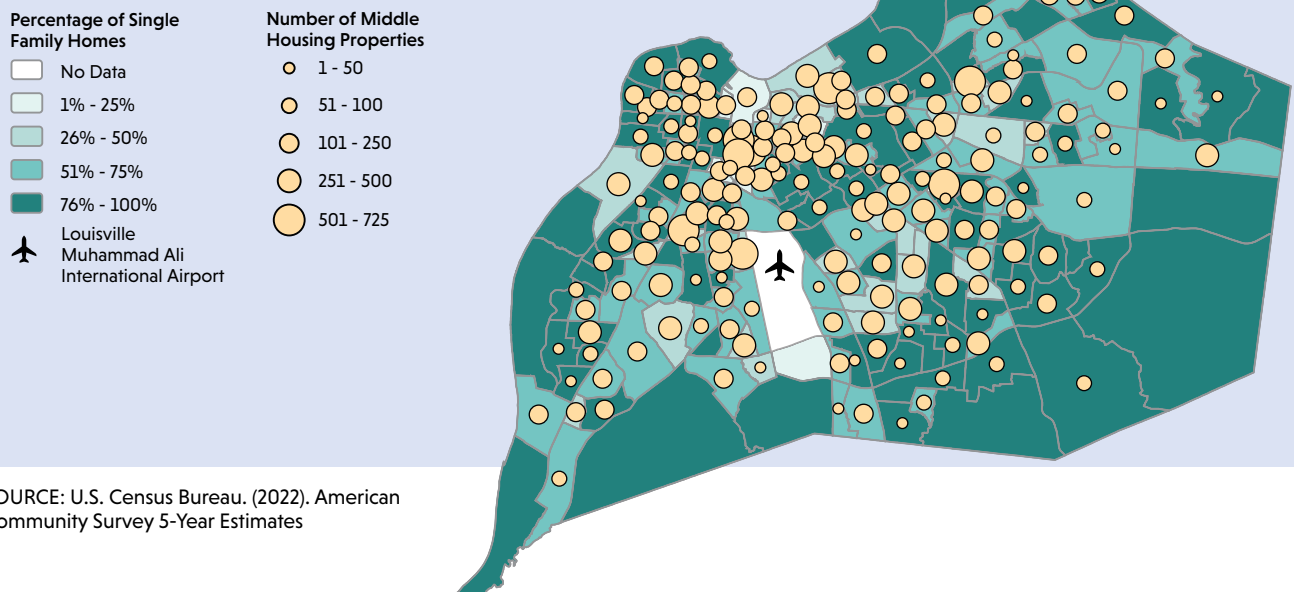
Percentage of Single-Family Homes with the Number of Middle Housing Properties by Census Tract, 2022

Map 7 combines the percentage of single-family homes per tract with indicators of “middle housing” properties, such as duplexes, triplexes, and fourplexes. We define middle housing as properties that accommodate two to four units with similar heights and form as neighboring single-family homes. Areas with darker shading represent tracts dominated by single-family homes, while lighter shades indicate a more diverse housing mix. The size of circles on each tract denotes the prevalence of middle housing, with larger circles indicating higher counts of medium-density properties.

Insights on Housing Balance

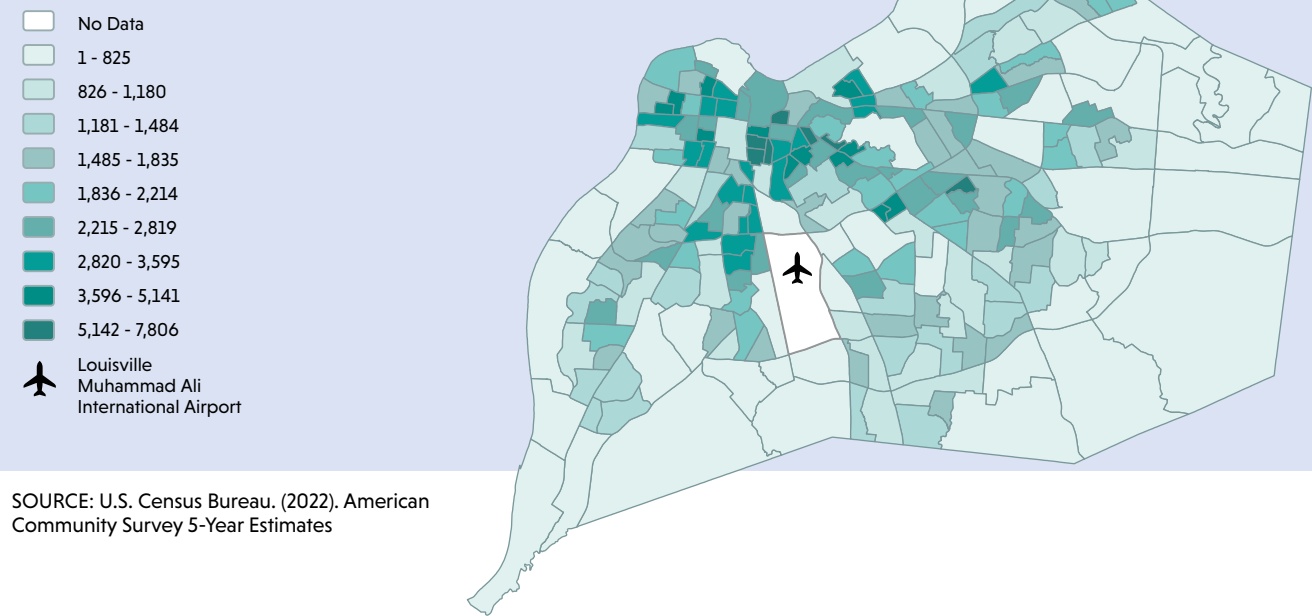
This map shows that tracts with high concentrations of multifamily housing (seen in Map 8 showing total housing units) often align with lower percentages of single-family homes and higher counts of middle housing types, highlighting neighborhoods that balance single-family residences with medium-density housing options.

Map 7: Percentage of Single-Family Homes with the Number of Middle Housing Properties by Census Tract, 2022



SOURCE: U.S. Census Bureau. (2022). American Community Survey 5-Year Estimates

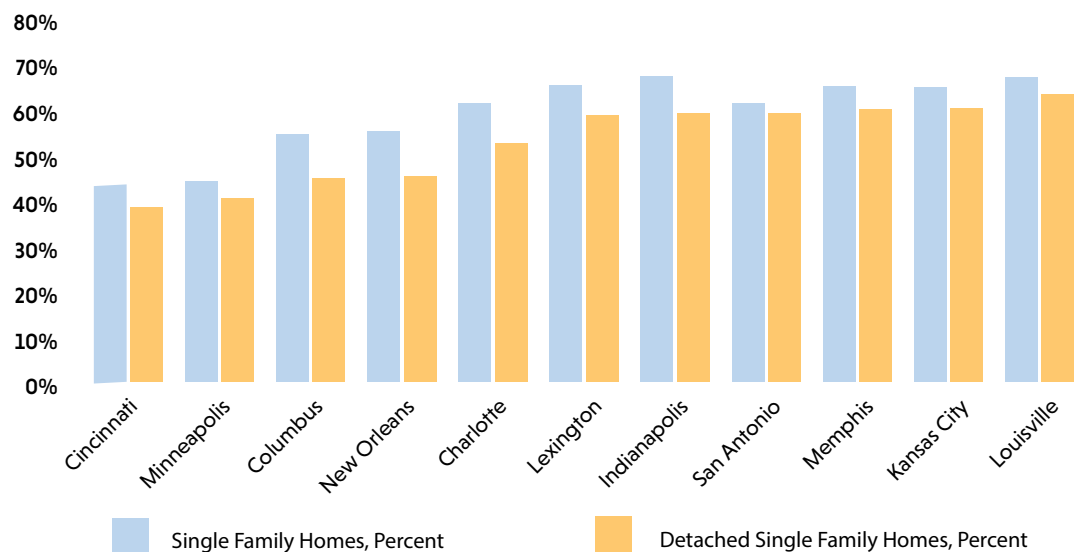
Map 8: Total Housing Units by Census Tract, 2022



Comparison of Housing Composition Across Cities

Comparing the percentage of single-family and detached single-family homes across selected cities illustrates how Louisville’s housing composition compares with similar urban areas. As shown in Chart 7 below, Louisville has a higher-than-average percentage of single-family and detached single-family homes than other metro areas highlighted.

Chart 7: Percent of Single-Family Homes and Detached Single-Family Home by City



SOURCE: U.S. Census Bureau. (2022). American Community Survey 5-Year Estimates

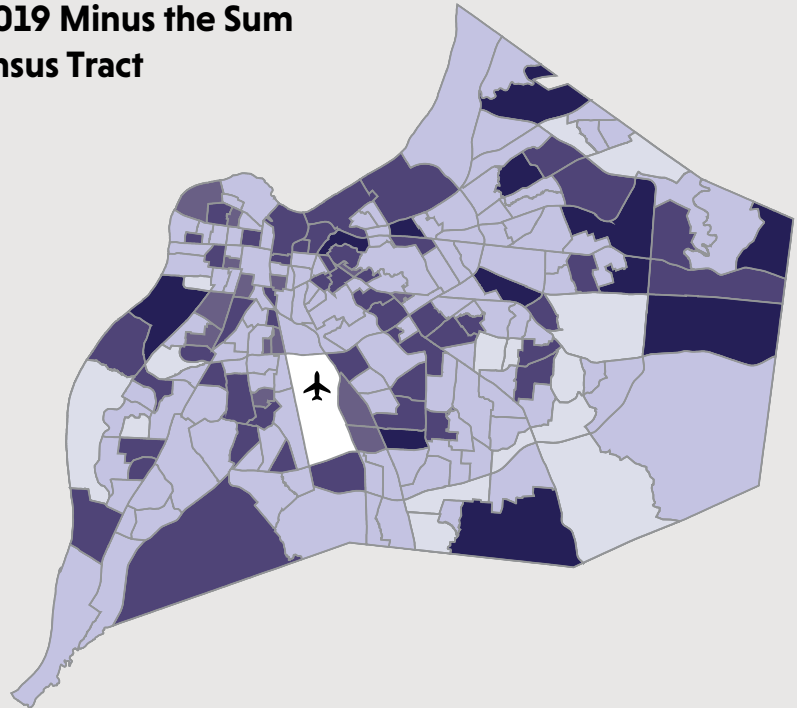
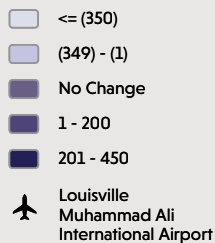
Housing Development Trends

Housing development patterns in Louisville reveal shifting priorities, with recent years seeing an uptick in multi-family developments.

Numeric Change in Housing Units Built

Map 9 displays areas with a decline in housing units built (highlighted in lighter shades) and places with an increase in housing units built (highlighted in darker shades). Most of the areas with more significant numbers of new housing units built are in the outer suburban areas of Louisville/Jefferson County.

Map 9: Numeric Change in the Number of Housing Units Built: Sum of Homes Built 2010-2019 Minus the Sum of Homes Built 2000-2009 by Census Tract

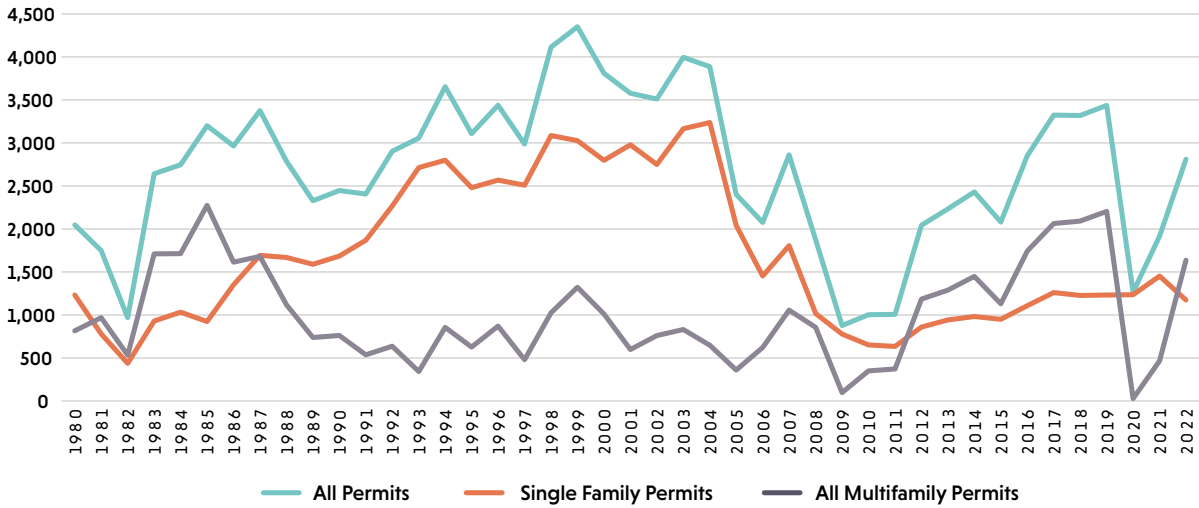


SOURCE: U.S. Census Bureau. (2022). American Community Survey 5-Year Estimates

Residential Building Permits by Type and Year

The orange line in Chart 8 represents single-family permits, which consistently outpaced multi-family permits (shown in the purple line) throughout much of the 1980-2022 period. However, this gap has narrowed significantly, in recent years, indicating a growing preference for multi-family developments and a shift towards higher-density housing solutions in Jefferson County. This convergence suggests changing housing trends, likely influenced by factors such as urbanization and evolving lifestyle needs.

Chart 8: Louisville/Jefferson County Residential Building Permits by Type, 1980-2022

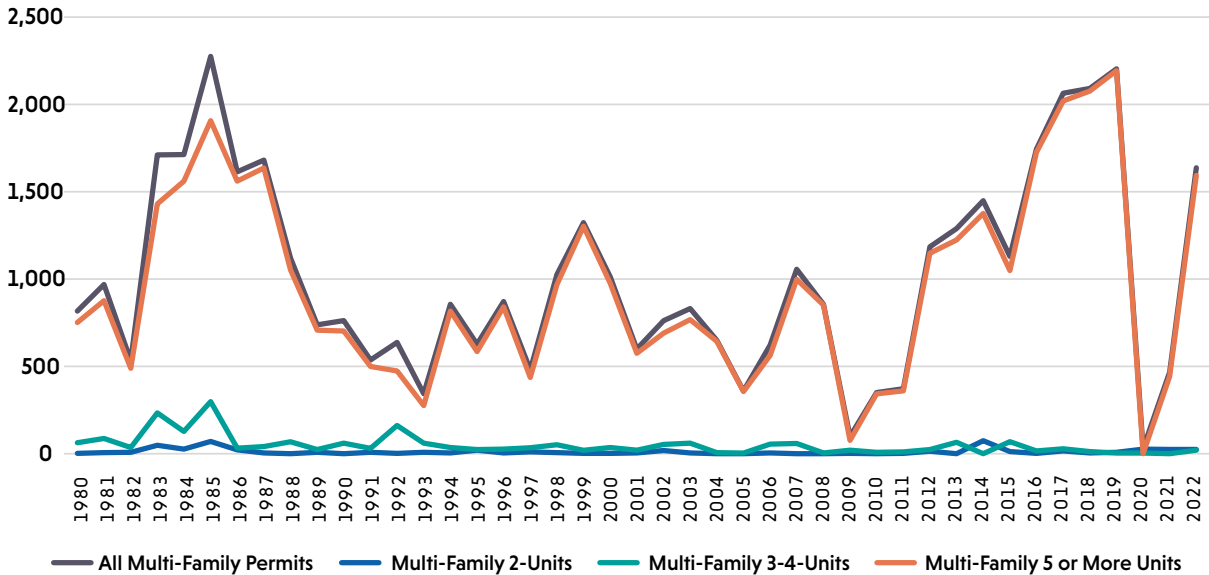


SOURCE: HUD: LOJIC

Multi-Family Building Permits by Type

Permits for large multi-family structures with five or more units have consistently led the way since 1980, highlighting a preference for higher-density developments (Chart 9). Meanwhile, permits for smaller multi-family structures, like duplexes or triplexes, have shown slight variation, underscoring a stable but limited role in the housing mix.

Chart 9: Louisville/Jefferson County Multi-Family Building Permits by Type



SOURCE: HUD: LOJIC










Market and Policy Influences

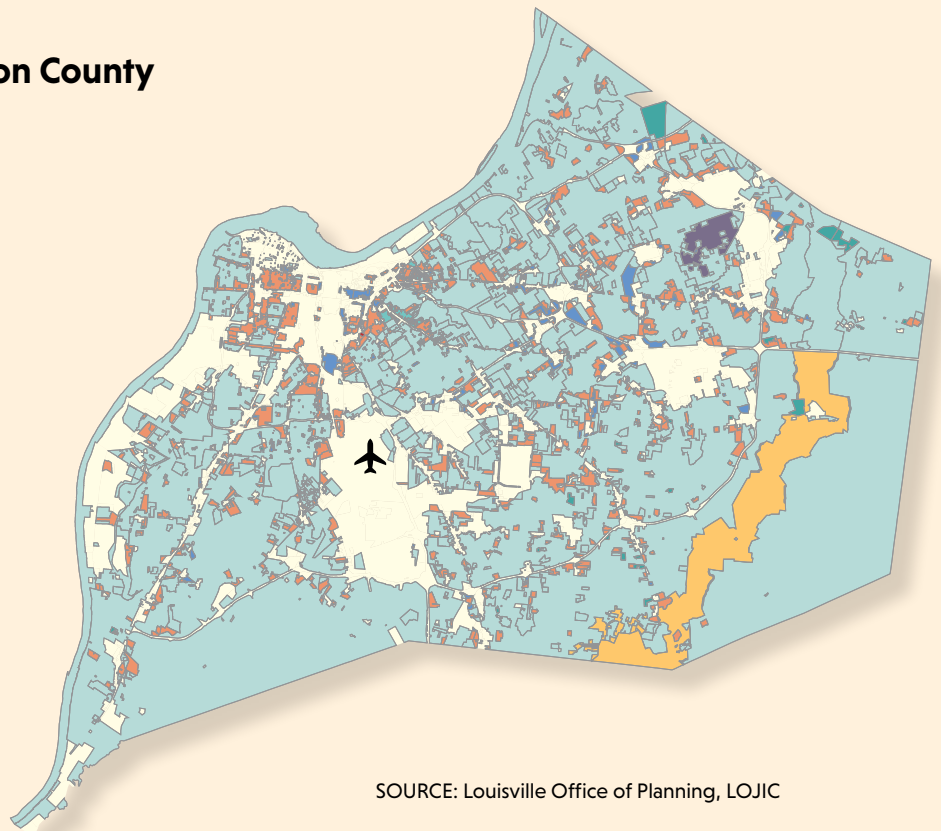
Louisville's current housing market, accessibility, and demographic distribution are significantly shaped by zoning policies, historical public housing placements, and racial and economic dynamics across neighborhoods.

Zoning Policies and Housing Availability

Louisville's zoning map (Map 10) reveals a strong policy preference for single-family homes, as a large portion of the county—highlighted in light green—is zoned for single-family residential use. This zoning structure limits the availability and construction of higher-density, multi-family developments in many areas. Thus, zoning impacts the overall housing landscape and influences accessibility and affordability in many parts of the county.

Map 10: Louisville/Jefferson County Zoning Map, 2022

-  Residential: Single Family
-  Residential: Two Family
-  Residential: Multi-Family
-  Residential: Planned
-  Residential: Rural
-  Residential: Estate
-  Mixed Use: Commercial/Residential
-  Mixed Use: Office/Residential
-  Non-Residential Zones
-  Louisville Muhammad Ali International Airport



SOURCE: Louisville Office of Planning, LOJIC

Public Housing Density and Racial Demographics

Map 11 shows that most public housing units are concentrated around downtown Louisville. This concentration highlights the role of historical policies in shaping neighborhoods. However, there are public housing units scattered across the county.

Map 11: Number of Public Housing Units by Census Tract, 2023

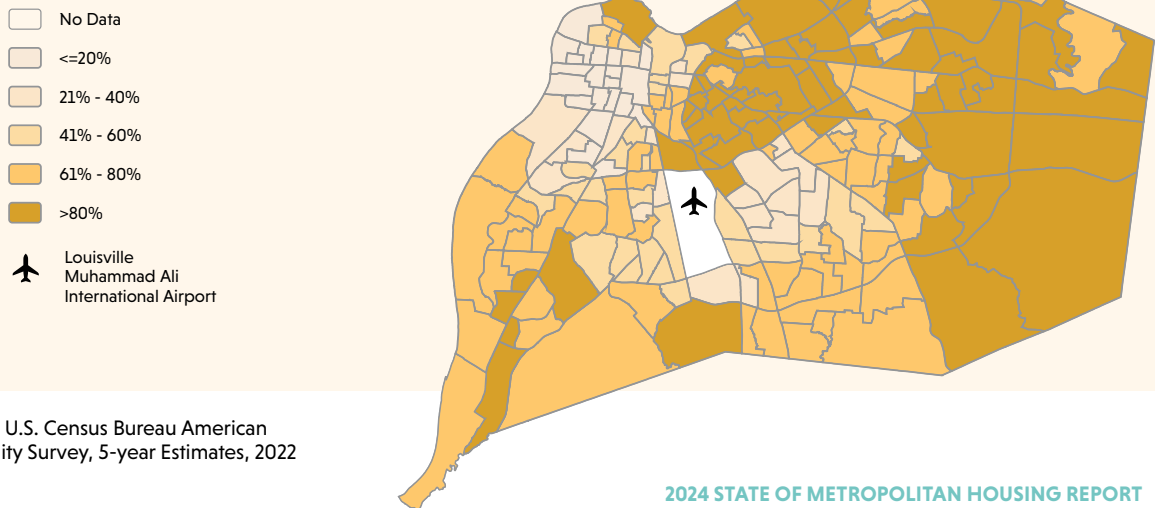


SOURCE: Louisville Office of Planning, LOJIC; Department of Housing and Urban Development

Racial/Ethnic Demographics by Housing Distribution

Housing access and type often reflect broader issues of racial and economic equity. As shown in Map 12, the largest concentrations of the non-white population are highlighted in dark gold.

Map 12: Percentage of White, Non-Hispanic Residents by Census Tract, 2022



SOURCE: U.S. Census Bureau American Community Survey, 5-year Estimates, 2022

Housing Instability & Legal Challenges

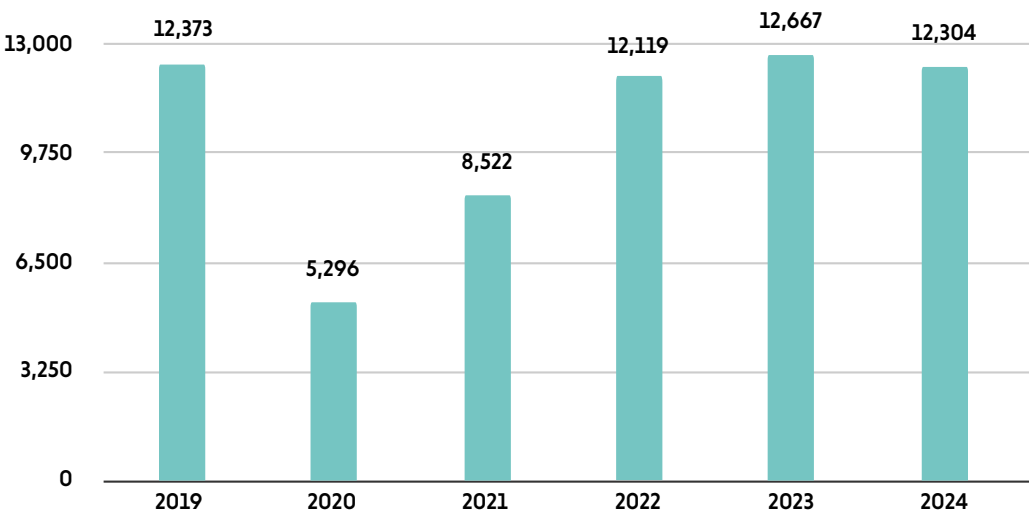
Housing instability in Jefferson County affects multiple aspects of residents' lives, from eviction and foreclosure risks to the struggle to maintain essential utilities. The data on evictions, foreclosure filings, and utility disconnections together highlight the financial strain and legal hurdles faced by economically vulnerable households.

Foreclosure and Eviction Legal Outcomes

During the pandemic, temporary relief programs, including eviction moratoriums, stimulus payments, and expanded unemployment benefits, led to a significant drop in eviction filings. As seen in Chart 10, eviction filings declined by over 50% between 2019 and 2020, showing the temporary effectiveness of these interventions. However, the conclusion of these programs has led to a rebound in filings, bringing them nearly back to pre-pandemic levels by the third quarter of 2024. This shift underscores a resurgence in housing instability as pandemic-era supports expire.

The economic disruption from pandemic-era job losses, particularly in lower-wage sectors like retail, services, and tourism, intensified housing vulnerability for renters. Although policies enacted during the pandemic provided temporary stability, Jefferson County's current data on eviction filings suggests a return to pre-pandemic levels of housing instability, revealing that the underlying economic drivers have not been addressed.

Chart 10: Quarters 1-3 Eviction Filings Between 2019-2024

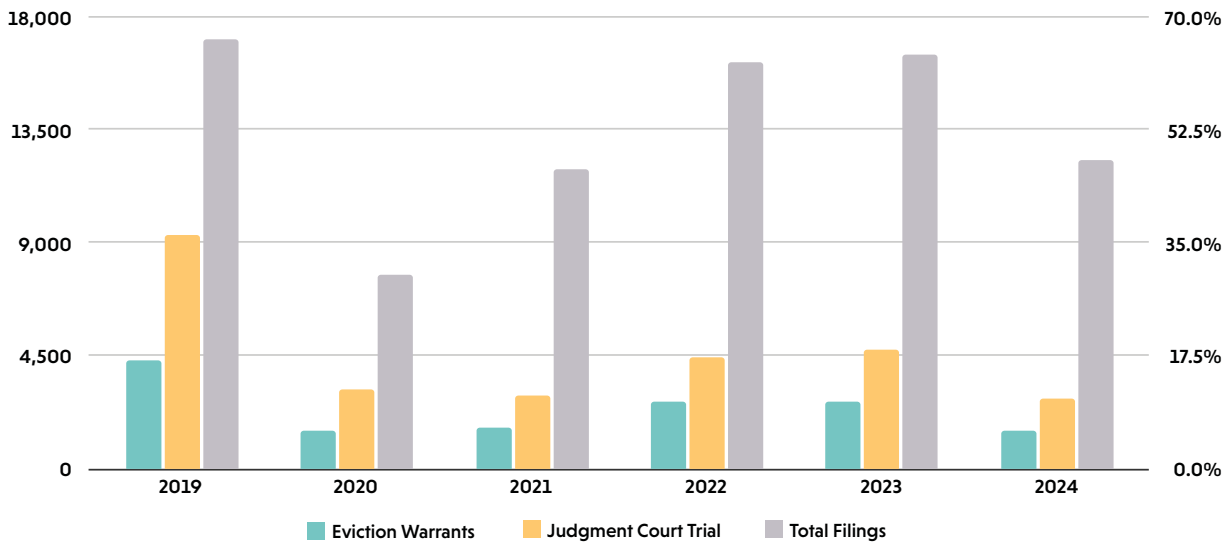


SOURCE: Jefferson County Administrative Office of the Courts

Eviction Filings by Outcome

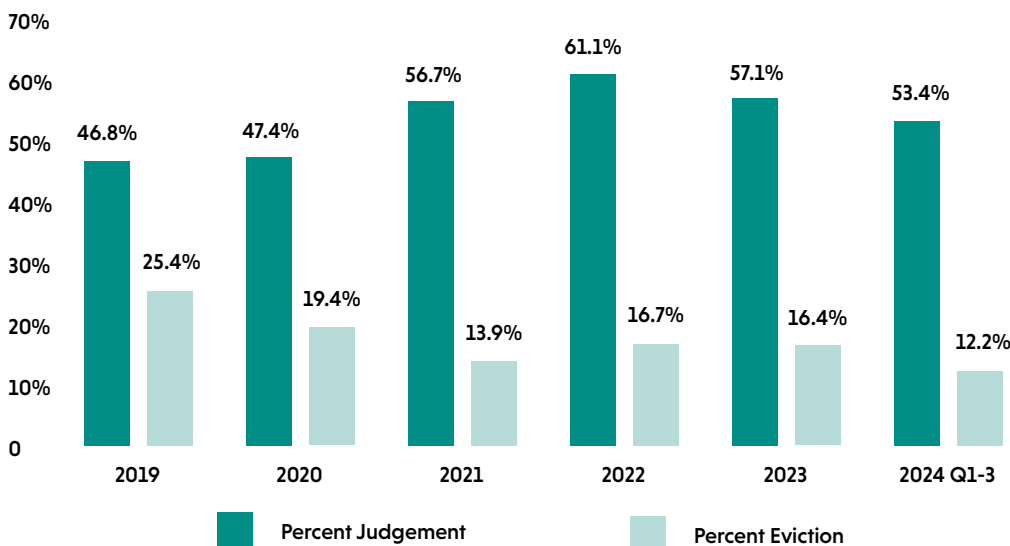
Through the first three quarters of 2024, the total number of eviction warrants, judgments, and filings has slightly decreased from 2023 (Chart 11). However, the proportion of filings resulting in evictions remains high. Specifically, 12.2% of filings in 2024 have led to evictions, close to the 16.4% rate recorded for all of 2023 (Chart 12). Table 7 provides counts of eviction filings and judgments over recent years, including judgments in favor of both defendants (indicating no eviction) and plaintiffs (indicating an eviction).

Chart 11: Quarters 1-3 Eviction Warrants, Judgments and Total Filings, 2019-2024



SOURCE: Jefferson County Administrative Office of the Courts

Chart 12: Percent of Total Filings Resulting in Judgment, Eviction, Jefferson County



SOURCE: Jefferson County Administrative Office of the Courts

Table 7: Eviction Filings Judgments, 2019 – 2024 Q3

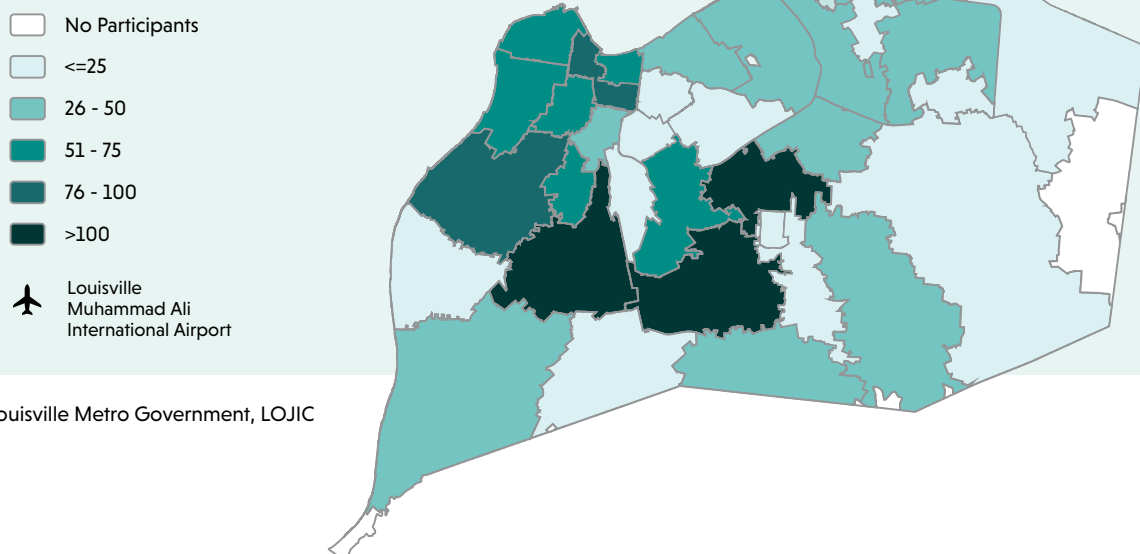
	Judgment for Defendant in Forcible Entry and Detainer -- Not Guilty	Judgment for Plaintiff in Forcible Entry and Detainer	Eviction Filings
2019	9,296	1	17,128
2020	3,173	1	7,748
2021	2,932	0	11,929
2022	4,420	1	16,204
2023	4,735	0	16,483
2024 Q1 thru Q3	2,800	7	12,304

SOURCE: Jefferson County Administrative Office of the Courts

Geographic Distribution of Eviction Diversion Support

Map 13 illustrates the distribution of households that have received assistance through the Court Eviction Diversion Program from September 2021 to January 2022. This program has provided crucial support, especially in the western areas of Louisville/Jefferson County, where housing instability tends to be most concentrated. The geographic spread highlights areas with higher demand for eviction intervention and support services.

Map 13: Households Supported by the Court Eviction Diversion Program by Zip Code, Sept. 2021-Jan. 2022

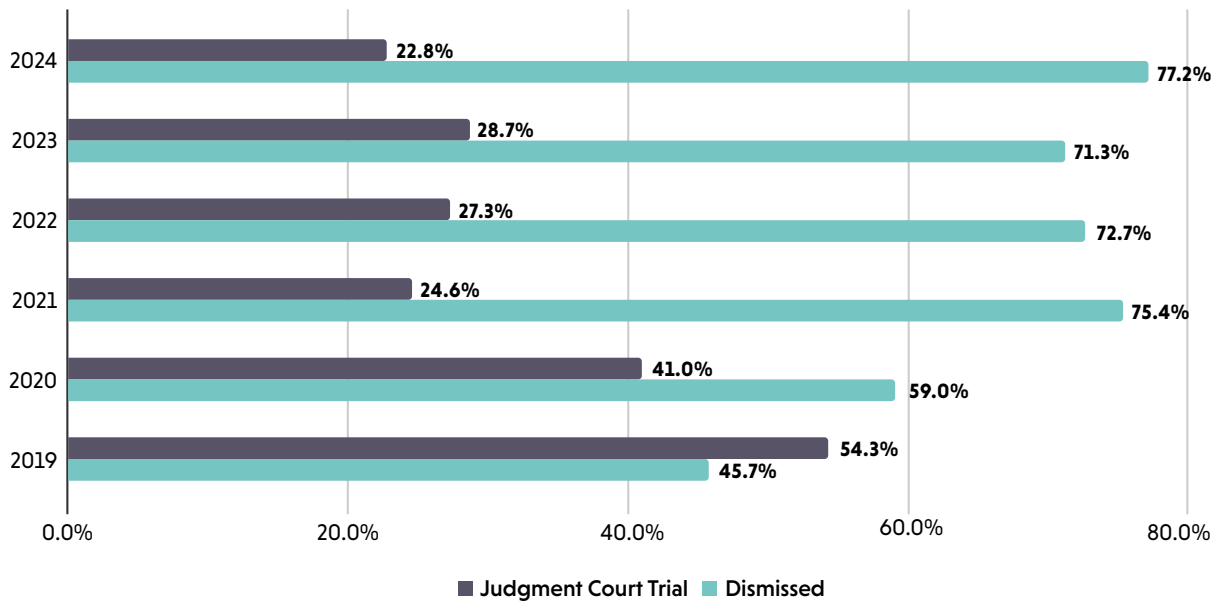


SOURCE: Louisville Metro Government, LOJIC

Eviction Filings and Dispositions

Chart 13 provides a breakdown of eviction outcomes, showing the percentage of filings leading to eviction judgments versus those dismissed or resolved in other ways. Since 2019, the percentage of eviction filings resulting in a judgment has declined from 54.3% to just 28.7% in 2023. Through the first three quarters of 2024, judgments are running at 22.8%.

Chart 13: Eviction Filings Dispositions (Dismissed/Judgment in Court)



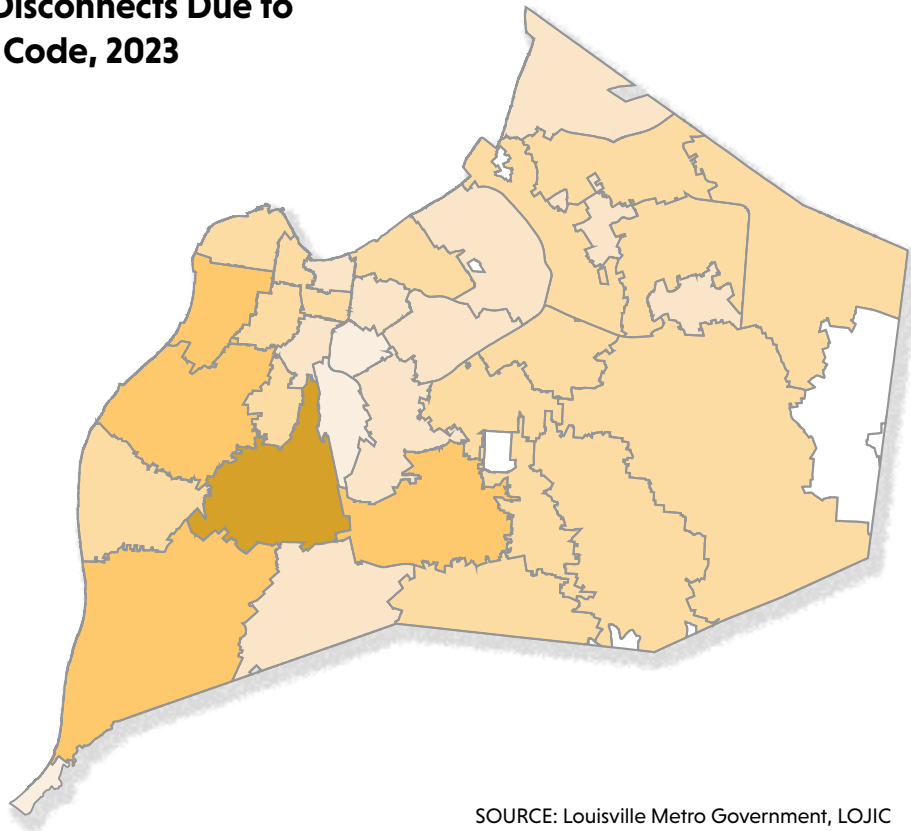
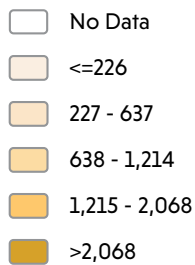
SOURCE: Jefferson County Administrative Office of the Courts



Utility Disconnections and Financial Strain

Map 14, showing household utility disconnects for gas and electricity, highlights areas in Jefferson County where residents have experienced frequent disconnections, reflecting broader financial pressures that households face. Much like evictions, utility disconnects are often driven by economic hardship and can be precursors to housing instability. High disconnect rates indicate areas where households are struggling not only with housing costs but also with meeting basic utility expenses. The clustering of disconnections in specific areas underscores the concentration of economic vulnerability in certain parts of the county, mainly where incomes are lower and financial instability is more prevalent.

Map 14: Household Disconnects Due to Non-Payment by Zip Code, 2023



SOURCE: Louisville Metro Government, LOJIC

Housing Instability Among School-Aged Children

Data from the 2023-2024 school year show that 3,586 students in Jefferson County Public Schools, or approximately 3.4% of total enrollment, experienced homelessness (Table 8). The distribution by race and gender shows that African American students make up 54.3% of the homeless student population, with Hispanic and White students each representing 19.1%. The number of homeless students has increased by 8% since the 2022-2023 school year, up 267 students. The largest increase in homeless students occurred among African American students.

The gender distribution of homeless students is nearly even, with 50.3% male and 49.7% female students, little changed from last year's distribution.

This data underscores the far-reaching impact of housing instability on families with school-aged children, emphasizing the need for targeted support to ensure educational stability for vulnerable students.

Table 8: Number of Homeless Students Enrolled K-12 by Race and Ethnicity, 2023-2024 School Year, Jefferson County Public Schools

	2022-2023		2023-2024	
	Number	Percent of Homeless	Number	Percent of Homeless
Total Homeless	3,319	100.0%	3,586	100.0%
African American	1,704	51.3%	1,946	54.3%
White	645	19.4%	684	19.1%
Hispanic	745	22.4%	685	19.1%
Two or More Races	189	5.7%	237	6.6%
Asian	28	0.8%	24	0.7%
Other Races	8	0.2%	10	0.3%
Male	1,650	49.7%	1,805	50.3%
Female	1,669	50.3%	1,781	49.7%

Note: Total enrollment – The total number of students (unduplicated) that enrolled/attended school throughout the year, including students that exited before the end of the year. Homeless – Students identified and served as Homeless within the academic year.

SOURCE: Kentucky Department of Education. 2023-2024 data are preliminary.

Recommendations

Over the past few years, Louisville has been engaged in a challenging conversation regarding housing, zoning, and different approaches to making housing more affordable and accessible. Mayor Greenberg set out an ambitious plan to create and preserve 15,000 homes with the launch of *My Louisville Home*, a comprehensive housing strategy. In general, this well-designed strategy addresses many of the challenges facing Louisville's housing environment.

The challenges Louisville faces are not unlike other communities around the nation, and the lack of affordable housing options at all income levels is a concern. The recommendations to increase housing in Louisville are based on our research and examination of best practices from around the country. The housing crisis is multifaceted and complex, and decades of inaction on affordable housing cannot be reversed overnight. The responsibility for addressing the housing crisis lies mainly with state and local governments.

Zoning and Land Use

Like many cities in the Midwest and the South, Louisville's residential zoning, and as a result housing stock, is predominately single-family homes. The idea of the single-family home is ingrained in the American Dream, and much of the building boom of single-family homes started post-World War II and was fueled by government support for both the developer and the buyer. By the 1980s, single-family home construction began to plateau and continued until the mid-2000s. However, the 'Great Recession' dramatically changed the housing landscape, with a slowdown in the overall number of housing units built in the United States.

Based on the U.S. Census Bureau's Building Permits Survey (BPS), the number of new housing units permitted to be built peaked at 2.1 million in 2005, with single-family homes accounting for 78% of those units. By 2023, the number of new housing units had not reached pre-recession totals, with only 1.6 million units permitted, with only 60% of those new units being single-family homes. Between 2021 and 2023, the number of permits issued for single-family home construction has decreased from 1.1 million to 920,000. However, there has been significant growth in the number of new construction permits for multi-family buildings. Since 2010, permits for two-unit housing construction has increased by 216%, for three- to four-unit housing construction by 84% and for five-units or more by 296%.

What these numbers show is a national trend away from single-family home construction towards multi-family construction. Much of this shift is due to the shortage of housing units in the United States, high mortgage rates, changing consumer preferences for urban/walkable living, and demographic shifts (FreddieMac, 2023; Caulfield, 2024).

According to the 2022 American Community Survey 5-Year Estimate, Louisville had 261,105 housing units. Of those, 69.3% were single-family homes, which is higher than all of its peer-cities (Table 9).



Table 9: Percentage of Single-Family Homes by City

Cities	Single-Family Homes
Louisville	69.3%
Indianapolis	68.9%
Memphis	68.7%
Lexington	67.7%
Kansas City	66.5%
San Antonio	63.7%
Charlotte	63.5%
New Orleans	60.8%
Columbus	56.7%
Minneapolis	46.4%
Cincinnati	45.8%

SOURCE: U.S. Census 2022 ACS 5-Year Estimate

Additionally, Louisville lags behind most of its peer-cities with regard to the percentage of attached single-family homes. Attached single-family homes are defined by the U.S. Census Bureau as housing units that are for one-family but attached to another housing unit by a wall which extends from the ground to the roof. Examples are townhomes and row houses.

Table 10: Percentage of Attached Single-Family Homes

Cities	Percentage of Attached Single-Family Homes
San Antonio	2.4%
Louisville	4.0%
Minneapolis	4.0%
Kansas City	4.9%
Memphis	5.1%
Cincinnati	5.4%
Lexington	6.6%
Indianapolis	7.5%
Charlotte	8.7%
Columbus	9.9%
New Orleans	10.5%

SOURCE: U.S. Census 2022 ACS 5-Year Estimate

Louisville's high percentage of all single-family homes, and low percentage of attached single-family homes is indicative of how its zoning regulation and land development code is designed for a time where single-family homes, located in low-density areas were the predominant method of home building. However, as market forces, consumer preference, and lack of undeveloped land have shifted developers towards multi-family homes, Louisville lags behind the needed reforms their peer-cities have already enacted.

Louisville Metro Government's Office of Planning began work on reforming its Land Development Code (LDC) in 2020 as a result of Metro Council's passage of Resolution 082, series 2020. The proposed amendments released in 2021 by the Office of Planning seem reasonable and based on reforms in other communities, and have the potential to increase the supply of needed housing units in Louisville. However, only a few amendments have been made to the LDC since 2021, such as review process for accessory dwelling units (ADUs), minimum front yard setback within certain form districts, and the removal of floor area ratio (FAR) requirements from residential zones. Much more is needed to make a significant impact on housing in Louisville.

In 2024, House Bill 388 prohibited consolidated local governments from amending their land development code to allow for more density of residential units per acre before April 15, 2025. It was enacted into law by a legislative veto override. The moratorium on changes to Louisville's LDC has prohibited the most significant and impactful reforms necessary to encourage more housing. If the moratorium is allowed to sunset in 2025, it will help restart the process of enacting reforms. Moving away from the exclusionary zoning practices of traditional single-family zoning towards more adaptive and relaxed zoning is foundational to meeting any current and future housing needs of the community.

Increase Upzoning

As mentioned, changing the Land Development Code to allow for more density, or 'upzoning', is essential to increasing the supply of housing, this includes increasing or eliminating the floor area ratio (FAR), reducing or eliminating parking minimums, and allowing more flexibility on the number of units allowed in a residential zone. Zoning, impact fees, building codes, review processes, and other regulations account for some of the increase of housing costs (Glaeser, 2017; Kok et al., 2014). A 2023 study examining the impact of land-use reforms across eight metropolitan regions between 2000-2019 found that the reforms had a positive and statistically significant impact on the housing supply, particularly with market-rate units, while increasing restrictions led to increased rents (Stacy et al., 2023). However, upzoning should be done with consideration of the capacity of the infrastructure and public transportation system.

One of the biggest concerns opponents have to increased density is the perceived negative impact it will have on property values. However, studies have shown that upzoning has the reverse effect. In 2013 and 2015, Chicago upzoned a large group of parcels by allowing higher unit density, increased FAR, and reduced parking requirements. In this case, Freemark (2020) found land values increased. In 2018, Minneapolis eliminated single-family zoning restrictions in the city (Minott, 2023). While the results of this policy and the totality of the Minneapolis 2040 Plan is still being studied, early research suggests that prices increased (Kuhlmann, 2021). Additionally, rent prices have stabilized while the population has grown and inflation increased (Gold, 2024). In both cases, it was estimated the increases were a result of opening land-use options for parcels that were once restricted.

Middle Housing

Sometimes referred to as “missing” middle housing, these are multi-family housing types that are comparative in scale with single-family homes, such as duplexes, townhomes, cottage courts, etc. They are considered “missing” because for several decades they have not been allowed to be built in most neighborhoods due to local zoning restrictions. These types of homes are typically smaller than most single-family homes, and more housing units can fit on a plot of land, making them more affordable (Garcia et al., 2022). Due to their design, they can co-exist in single-family neighborhoods without significantly disrupting the neighborhood’s character.

In 2017, Buffalo implemented a city-wide form-based code as part of this sweeping reform to expand the types of housing allowed in many

residential zones (Buffalo Green Code, 2017). As a result, the city has increased infill development, significantly increasing the number of new housing units. Additionally, New Orleans allowed fourplexes in 2021, and in 2024 modified this change again to allow two two-unit buildings as an alternative (Kasakove, 2024).

In addition to reforming the land development code to allow for the development of middle housing “by right” in more residential zones, programs to increase the capacity of smaller developers, particularly minority- and women-owned firms, are important to meet the housing demand. The allowance for middle housing provides smaller development firms an opportunity to work on more projects as the financial barrier to entry is lower than larger multi-family projects.





Streamlining Processes

One of the challenges facing developers in Louisville is the regulatory and permitting process. This is a challenge that cities across the country have been trying to address. However, during many of the interviews for this study, a consistent theme we heard was the time and uncertainty during the process. For example, when a property owner requests zoning changes, the process through the Office of Planning and the Planning Commission runs smoothly. However, when the request makes it to Metro Council, significant changes may need to be made, or requests are denied. For developers, making changes this late in the process can be costly. Therefore, there needs to be better engagement with stakeholders who may have concerns about a project earlier in the process.

Additional amendments to the LDC, which the Office of Planning is currently proposing would help significantly with shortening the process for development. In particular, moving to a form-based code can significantly reduce the process time for developments (Brown, 2014; Steuteville, 2015). A 2021 study by the Form-Based Codes Institute and Smart Growth America found that jurisdictions that had form-based codes experienced more growth in new multi-family developments, average rents in multi-family development grew at a slower pace, and had no statistically significant change in the racial make-up in the areas with the form-based code compared to jurisdictions without it. Form-based code allows for by-right development and streamlines entitlement approvals.

Form-based code can be implemented city-wide incrementally. The City of Cincinnati adopted the form-based code in 2013 and, over time, implemented it on a neighborhood-by-neighborhood basis to ensure planning was done with each neighborhood's needs in mind and infill and redevelopment was done strategically (City of Cincinnati, 2024). Most recently, Covington, Kentucky, adopted a form-based code in 2020.

Table 11: Homeownership Rates by City

Cities	Homeownership Rate
Louisville	60.4%
Indianapolis	54.9%
Lexington	54.3%
Kansas City	54.0%
Charlotte	52.1%
San Antonio	51.9%
New Orleans	49.3%
Minneapolis	48.1%
Memphis	46.6%
Columbus	44.7%
Cincinnati	39.3%

SOURCE: U.S. Census 2022 ACS 5-Year Estimate

Factory Built Homes

With the increased cost of homebuilding, there has been an increased interest in factory-built homes. However, when most people think of factory-built homes, they think of “mobile homes”. With the advancement of technology and updated regulations at the federal and state levels, factory-built homes are just as durable as most site-built homes (FreddieMac, 2024). The main advantage of factory-built homes is their cost compared to site-built homes. In 2023, the average cost of a site-built single-family home was \$400,700 (U.S. Census, 2024a) in the United States versus the average cost of a factory-built home was \$129,900 (U.S. Census, 2024b).

Across the country, states and municipalities are reducing the barriers and regulations on where factory-built homes can be placed, explicitly allowing them to be placed in single-family home zones (Council of State Governments, 2024; Janati & Waters, 2024; Gorey, 2022). Louisville’s Office of Planning is trying to take a step in that direction with the proposed change of the LDC, 23-LDC-0004, which would allow staff to review the standards and make recommendations on how to reduce regulatory barriers of constructing factory-built housing in Louisville. As of this writing, 23-LDC-0004 was recommended for approval by the Planning Commission and is currently awaiting final action from Metro Council.





Increasing Home Ownership

According to the 2022 American Community Survey 5-Year Estimates, Louisville had a homeownership rate of 60.4%, which was higher than all of their peer cities, but below the national average of 64.8%. The 2010 American Community Survey 5-Year Estimates showed Louisville had a homeownership rate of 63.5%, which shows a decline in the percentage of people owning their own home.



Photos: KERTIS Creative

In 2008, the Louisville Metro Council established the Louisville Affordable Housing Trust Fund (LAHTF) as a tool to invest public dollars to meet the need of affordable housing. The original goal was to identify \$10 million in dedicated, annual public revenue for the fund, however this has not been done (Louisville Affordable Housing Trust Fund, 2024). However, in 2024, the Louisville Metro Government allocated \$15 million in funds. This funding has gone to developing affordable housing, rehab/reuse of vacant and abandoned properties, and integrating low-income housing. Additionally, Metro Council allocated \$13 million in 2022 to the Restoring Each Viable Economically Redlined Territory (REVERT) program operated by the trust fund. This program provides homeownership support to families that were disproportionately impacted by discriminatory practices such as redlining.

The LAHTF is a valuable tool in supporting affordable housing in Louisville, but adequate and consistent funding is needed. LAHTF could leverage this investment for additional funding from private organizations and other government sources. Some cities have developed dedicated revenue sources for their housing trust funds.

In 2023, Lexington passed an ordinance authorizing a funding goal of at least 1% of their general fund revenue from the previous fiscal year to be dedicated to the Affordable Housing Fund, with an additional minimum of \$750,000 dedicated each fiscal year to the Innovative and Sustainable Solutions to Homelessness Fund (LFUCG Ordinance No. 072-2023). Kalamazoo County, Michigan voters passed an eight-year, 0.75-mill levy to fund affordable housing projects in 2020, which has been leveraged to create more than \$114 million in housing developments (Devereaux, 2023). Baltimore's Affordable Housing Trust Fund is funded with a 0.6% excise tax on the transfer of real property valued at or above \$1 million and a 0.015% excise tax on the recordation tax for real property transactions valued at or above \$1 million (Baltimore City Department of Housing & Community Development, 2024). My Louisville Home aims to fund the LAHTF with \$20 million annually. It provides examples of how to establish permanent funding sources, such as increasing filing fees on transfer of property or evictions, a 3% car rental fee, and dedicated tax revenue from projects built on previously owned Landbank Authority land. These are good examples of how to fund LAHTF permanently, and a solution should be enacted immediately.

Another impactful program Metro Government offers is the Down Payment Assistance Program, which has helped families make a down payment on an affordable home. Down payment assistance programs are an important tool to increase homeownership for underserved populations (Stegman & Loftin, 2021). In recent years, Louisville's program has been bolstered by funding made available through the American Rescue Plan Act. As this funding dries up, the Metro Government is encouraged to continue this investment in homeownership.

Inclusionary Zoning

One of the potential impacts of upzoning is the potential displacement of existing residents, particularly in historically disinvested neighborhoods. Metro Government has anti-displacement strategies, which contribute to keeping people in their homes. Another policy is inclusionary zoning. It requires or encourages developers to include affordable housing units as part of a market-rate housing development. Inclusionary zoning can either be required for all new market-rate housing development, or voluntary such as in cases where the developer is seeking financial support from the city or incentives such as density bonuses. This is where inclusionary zoning is implemented, along with upzoning policies, as a way to incentivize developers to set aside some affordable housing units. Metro Government already offers a revolving loan fund, Louisville CARES, to provide gap and/or bridge financing to developers either building affordable housing units or incorporating affordable housing units into market-rate developments.

Over 700 local governments have inclusionary policies in place, with many of those, including large municipalities, having inclusionary zoning (Wang and Balachandran, 2021). A number of studies have shown that inclusionary zoning has led to increased production of new affordable housing units (Wang

& Fu, 2022; Mukhija et al., 2010; Ramakrishnan et al., 2019). However, local factors should be considered when formulating inclusionary zoning, such as the ability to leverage incentives or financial support and whether the zoning will be city-wide or confined to specific areas (Hickey, 2014).

Renters Assistance

Louisville has a number of assistance programs for renters, like many cities across the nation, such as programs through the Louisville Metro Housing Authority, Office of Housing and Community Development, Office of Resilience and Community Services' Housing Stabilization Program, and numerous local non-profit organizations. However, resources are stretched thin, much of which comes from the federal government, and there is a growing demand for housing assistance.

Assistance programs can be effective at meeting immediate needs, but it is important to continue to address renters' needs holistically and coordinate efforts between housing services and family/job services (Treskon et al., 2021). Neighborhood Place, the collaboration between Metro Government agencies and community residents, is a good model for bringing services together to where people need them.

Resources are stretched thin, much of which comes from the federal government. Federal spending on housing assistance has increased since the COVID-19 pandemic, but is starting to fall back in line with pre-pandemic spending totals as the Emergency Rental Assistance program is phased out (Office of Management and Budget, 2024). Therefore, it is necessary for local governments to continue to allocate funding for assistance programs from other federal funding sources or their own funding sources.

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