STATE OF METROPOLITAN HOUSING REPORT 2012

METROPOLITAN HOUSING COALITION

The preparation of this report was funded in part by the Louisville/Jefferson County Metro Government through its Neighborhood Stabilization Program (NSP-1) grant.

Letter to MHC Members

THE FOCUS TOPIC of the *2012 State of Metropolitan Housing Report* is vacant properties, an issue MHC has been working on for several years through the Louisville Vacant Properties Campaign, which MHC facilitates monthly. MHC's years of work is now part of a larger planning process that involves city government, Metro Council, Bloomberg Philanthropies, and the Vision process for our city. Within the focus topic, MHC reports on the impact of the Neighborhood Stabilization Program in Louisville, so you can see how a concerted effort to improve neighborhoods with vacant properties can pay off.

The *2012 Report* continues to update information using the 2010 Census and will combine that with the new way that information is being updated through the American Community Survey. In 2009, MHC introduced data about the number of students in Jefferson County Public Schools who experience being homeless in a school year, and we have tracked that data ever since. For the first time, the *State of Metropolitan Housing Report* includes data from all counties in the Metropolitan Statistical Area (MSA) on the number of students who experience being homeless in the school year. The need continues; even after updating the waiting list in Jefferson County, there are over 21,000 income eligible households on the Louisville Metro Housing Authority waiting list for housing assistance.

The data in the 2012 SMHR shows:

- The 2011 homeownership rate for the Louisville MSA was 61.7 percent, the lowest rate of homeownership for the Louisville area since the *State of Metropolitan Housing Report* began tracking the figure in 2003.
- During the 2011-2012 school year there were 12,389 homeless students in Jefferson County Public Schools, and an additional 868 homeless students in the surrounding Louisville MSA counties.
- Following the redistricting in November 2011, most Louisville Metro Council districts saw little change in the percentage of subsidized housing units in their respective districts. Council districts 1, 2, 3, 4, 5, 6, and 15 combined are still home to nearly three-fourths of all subsidized units within Louisville Metro.
- The median household income for renters in the Louisville MSA is $25,633, which falls short of the income needed to afford a two-bedroom unit at Fair Market Rent (FMR) by $2,287 annually.
- The Louisville MSA saw a total of 5,667 foreclosures in 2011, an increase of 140 percent since 2002, but a decrease of 32 percent from 2010.

While the data paint a picture of need, MHC always looks to how things can be better, and this year is no exception. Instead of just listing our accomplishments since last year, we give you a way to work on all of these issues.

MHC is working on ways to increase investment in fair and affordable housing, and we see several bright spots.

- The Land Development Code (LDC) is under review, and there are great suggestions for making fair and affordable housing a possibility. You can join MHC's campaign to increase opportunities for multi-family housing and smaller lot sizes that allow increased density in more of Jefferson County.
- The Louisville Metro Human Relations Commission, the University of Louisville Anne Braden Institute for Social Justice Research and MHC are producing a 20-Year Plan to end segregation, and you can join us in implementing that plan.
- MHC published *Louisville's Foreclosure Recovery: Understanding and Responding to the Impact of Foreclosure Sales* this year; our partner and researcher/writer was the Network Center for Community Change. This report showed that just by being the subject of a residential foreclosure, a piece of property was likely to lose value and would lose value at a greater rate if the property was sold at a foreclosure sale. This report highlighted the need to keep people in their homes. When that is not possible, the proposed registry of properties in foreclosure along with a local company or person responsible for upkeep of vacant properties is an important piece of preserving value of property and neighborhoods.
- MHC's advocacy around foreclosure issues helped ensure that the Kentucky Attorney General used funds from the National Mortgage Settlement to support homeownership counseling, vacant property responses, affordable housing development, and legal assistance in Louisville. Though this funding was a victory, advocacy for increased foreclosure mitigation and legal assistance for homeowners at risk of foreclosure must continue.
- MHC conducted research for the Louisville Urban League on the Louisville Metro Homelessness Prevention & Rapid Re-Housing Program (HPRP). Our research showed that HPRP was a successful temporary intervention that prevented homelessness for households impacted by the Recession. The lessons learned from this successful housing subsidy, including a fixed assistance rate depending on family size, should be more widely incorporated into housing assistance programs.
- Join the Local Options for Kentucky Liens (LOKL) coalition to give local control of collecting delinquent property taxes back to Kentucky's counties and to update Louisville's Land Bank. MHC is working with many groups in this effort.
- MHC continues to advocate for energy efficient rehab programs for low income households, particularly as we face rising energy costs. Investments like these have a huge impact on affordability of shelter.
- MHC continues to operate a loan pool for non-profit developers with the support of the Kentucky Housing Corporation. Despite setbacks in funding, the pool was able to invest in a number of units, both in new construction and rehab, in our community.
- The Louisville Affordable Housing Trust Fund (LAHTF) met a challenge grant from Mayor Fischer and received funds from the National Mortgage Settlement. Join us in advocating for funding for the LAHTF.

We want to thank the major donors who have made our work possible, as well as the members of MHC who support this work financially and with their time and commitment.

Sincerely,

Christie J. McCravy

Christie McCravy
MHC Board President

Cathy Hinko

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Executive Director
Metropolitan Housing Coalition

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Introduction

ONE OF THE MOST URGENT HOUSING ISSUES in the Louisville area is that of vacant properties. While vacant, abandoned, and underutilized properties have been a local concern for decades, the problem has worsened since the housing market collapse in 2008 due to several factors: a record number of foreclosures, a high unemployment rate, and more stringent mortgage-lending practices. The vacant property problem is widespread across the Louisville area but the resulting negative consequences disproportionately affect those who live in low-income neighborhoods.

Vacant properties are a problem for the Louisville community because they negatively impact surrounding property values, are public health and safety risks, and reduce the overall appearance and quality of life for residents in neighborhoods where they are concentrated. Tax delinquent vacant properties are a fiscal problem for local government due to lost property tax revenue and the cost of maintenance and codes enforcement at a time when local resources are already scarce. However, vacant properties also hold great potential. They can be assets for economic development, job creation, and neighborhood revitalization.

Defining *Vacant*

There is no standard definition of the term vacant. It is defined differently by various local, state, and federal entities. The U.S. Decennial Census defines a vacant housing unit as a unit where no one is living at the time of the Census interview unless the occupants are temporarily absent or is occupied by persons who have a usual residence elsewhere.[1] The United States Postal Service defines a *vacant* home as an address that was active in the past but has not been occupied for at least 90 days.[2] Locally, the Louisville Metro Property Maintenance Code defines vacant as "a structure, which is not legally occupied, or legally in use."[3] Going beyond the definition of vacant, the Louisville Metro Department of Community Services and Revitalization identifies *abandoned urban property*, which the Kentucky Revised Statutes defines as:

1. Any vacant structure or vacant or unimproved lot or parcel of ground in a predominantly developed urban area which has been vacant or unimproved for a period of at least one year; and
2. Meets at least one of the following criteria:
   a) Property is dilapidated, unsanitary, unsafe, vermin infested or otherwise dangerous to the safety of persons, or is unfit for its intended use, or
   b) By reason of neglect or lack of maintenance has become a place for the accumulation of trash and debris, or has become infested with rodents or other vermin, or
   c) Has been tax delinquent for a period of at least three years.[4]

Vacant Property Data

Louisville does not have a coordinated system for identifying, tracking, and disseminating local vacant property data. Having a centralized database of vacant properties, as well as a clear definition of the term *vacant*, is strategically important for developing programs that will effectively return those properties to productive use. Local vacant property programs currently rely on data from a variety of sources, including the U.S. Postal Service, the U.S. Census Bureau, Louisville Metro Department of Codes and Regulations (Inspections, Permits and Licenses [IPL]), and the Louisville Water Company. In addition, the Network Center for Community Change (NC3) has embarked on a parcel-by-parcel effort to identify and map vacancies in distressed Louisville neighborhoods in order to provide a more detailed and comprehensive picture of the problem in those neighborhoods with the highest concentration of vacancies. Each of these data sources has its own strengths and weaknesses, as well as their own definitions of the term *vacant*.

Negative Impacts

Vacant properties can negatively impact communities in numerous ways. High concentrations of vacant homes impact neighborhoods by lowering nearby property values (Schuetz, Been, and Ellen, 2008), which in turn results in a decrease in tax revenue, higher insurance premiums, and an overall decrease in quality of life. Vacant properties are also a health and safety hazard. They promote crime by providing opportunities for prostitution, drug dealing and use, vandalism, theft, arson and accidental fires, and illegal trash dumping. Rodent infestations and the presence of hazardous substances (including lead paint or chemicals from a previous use) are also a public health concern (National Vacant Properties Campaign, 2005). Concentrated vacancies in a neighborhood often create a disincentive for other property owners and landlords to maintain their properties. This vicious cycle can cause neighborhoods to destabilize and exacerbate the negative conditions associated with abandoned properties

[1] http://www.census.gov/hhes/www/housing/hvs/annual97/ann97def.html
[2] http://www.huduser.org/portal/datasets/metro.html
[3] Louisville Metro Property Maintenance Code, Chapter 156, 156.005
[4] http://www.louisvilleky.gov/NR/rdonlyres/718F91B4-BB72-4E69-A05E-BCF0FAC2A342/0/AUPforWeb.pdf

(See the *2011 State of Metropolitan Housing Report* for more information on environmental hazards related to housing conditions).

What Is Already Being Done Locally

Over the past two years, Louisville Metro government has made addressing local vacant properties a priority. In 2011 and 2012, the city hosted two Vacant, Abandoned, and Underutilized Property Summits to collect community input about vacant properties and potential local solutions. One of the five Louisville Metro Innovation Delivery Team projects, funded by a $4.8 million grant from Bloomberg Philanthropies, will aim to reduce the number of vacant and abandoned properties in the city by 40 percent in the next three years and by 67 percent in five years. Additional funding and resources have been dedicated to addressing the problem, including policy changes that are preventive and target systemic issues.

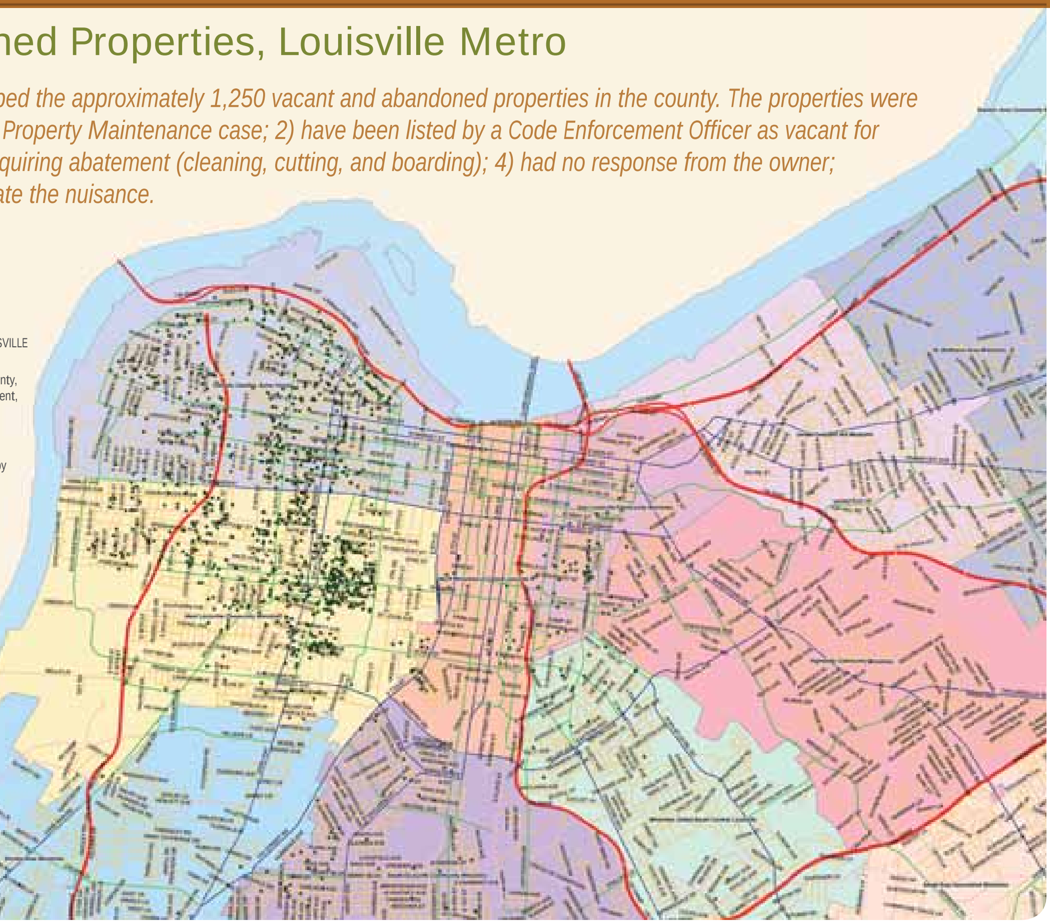
One of the primary concerns regarding vacant properties in Louisville Metro is the lack of a coordinated system for defining, identifying, and tracking vacancies.

Numbers, Sources, and Definitions of Vacant Properties in Louisville Metro, 2012

Data Source	Number of Vacant Properties		Definition of "Vacant Properties"	Date
Louisville Metro Department of Codes and Regulations		4,617	A structure which is not legally occupied or legally in use.	August 1, 2012
Louisville Metro Department of Community Services and Revitalization		1,206	Any vacant structure or vacant or unimproved lot or parcel of ground in a predominantly developed urban area which has been vacant or unimproved for a period of at least one year and meets at least one of the following criteria: 1) Property is dilapidated, unsanitary, unsafe, vermin infested or otherwise dangerous to the safety of persons, or is unfit for its intended use; or 2) By reason of neglect or lack of maintenance has become a place for the accumulation of trash and debris, or has become infested with rodents or other vermin; or 3) Has been tax delinquent for a period of at least three years.	September 2012
Louisville Water Company	Properties with active accounts:	7,991	Properties with no water usage for six months or more.	September 1, 2012
	Properties without active accounts:	16,986		
U.S. Postal Service	13,379		Residential addresses that delivery staff on urban routes have identified as being vacant (not collecting their mail) for 90 days or longer.	March 2012
U.S. Census Bureau	**Total:**	**33,530**	A housing unit where no one is living at the time of the interview, unless its occupants are only temporarily absent. A vacant unit may also be one which is entirely occupied by persons who have a usual residence elsewhere.	American Community Survey 5-yr estimate, 2006-2010
	For rent	12,230		
	Rented, not occupied	2,375		
	For sale only	6,455		
	Sold, not occupied	1,910		
	For seasonal, recreational, or occasional use	1,871		
	For migrant workers	122		
	Other vacant	8,567		

Vacant and Abandoned Properties, Louisville Metro

In January 2011 Louisville Metro mapped the approximately 1,250 vacant and abandoned properties in the county. The properties were defined as those that 1) have an open Property Maintenance case; 2) have been listed by a Code Enforcement Officer as vacant for at least one year; 3) have violations requiring abatement (cleaning, cutting, and boarding); 4) had no response from the owner; and 5) required Louisville Metro to abate the nuisance.



Cartography L. Wells & Arcinfo 9.3.1 July 23 2010
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LOJIC
Louisville/Jefferson County Information Consortium

Source: Mary McGuire, Louisville Metro Department of Codes and Regulations

Community organizations and groups are also involved in addressing vacant property issues, including NC3 and the Louisville Vacant Properties Campaign (LVPC). NC3 organized residents in neighborhoods with high rates of vacancy to identify and map vacant properties, parcel by parcel. The LVPC provided a forum for residents and organizations to discuss solutions to the problem, as well as helped to organize the Vacant, Abandoned, and Underutilized Property Summit in 2011. The LVPC group meets once per month and aims to link community voices to public decision-making around the issue.

Park-to-Park/NHAT Pilot Area Boundaries

Observation Walks and Available Housing Data Displayed November 11, 2010 and December 10, 2010

- Firehouse
- Foreclosure Filing
- Boarded House
- 2010 Commissioner Sale
- 2009 Commissioner Sale
- 2008 Commissioner Sale
- Habitat_Homes_NHAT
- Gas Station
- Commercial Property
- Observed House for Sale
- Uninhabitable Vacancies
- Structure that needs renovations
- Newly Developed or Renovated
- House for Sale or Rent Advertised
- Church
- Vacant Lot
- Vacant Structure
- Wheatley
- Metro Park
- Parcel

NETWORK CENTER FOR COMMUNITY CHANGE
A COMMUNITY MOVEMENT POWERED BY THE PEOPLE

Addressing Foreclosures

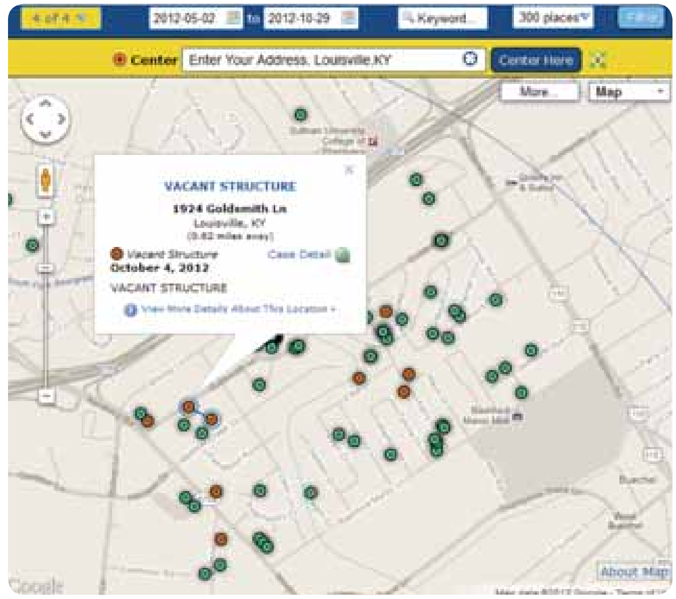
Louisville Metro government recently secured $3.25 million from a national settlement with mortgage servicers to fund a variety of vacant housing-related initiatives. Of these funds, $750,000 will be used to pay court costs for the city to foreclose on 700 vacant homes; this is in addition to 100 other homes that will be foreclosed on using $125,000 in city funds. The city is prioritizing foreclosure on homes that someone has expressed an interest in rehabilitating, as well as focusing on entire blocks of land that can be assembled for redevelopment. The national settlement funds will also provide $1.5 million to local housing agencies for foreclosure prevention and pre-purchase counseling programs. The Louisville Legal Aid Society will receive $250,000 to help homeowners navigate or avoid foreclosure proceedings, and another $500,000 will be spent on demolition of 75 vacant homes (Otts, 2012).

Vacant Property Tracking

An ordinance was recently proposed to create a Foreclosed and Vacant Properties Registry, which would require financial institutions to register a property with Louisville Metro Department of Codes and Regulations when a home enters into foreclosure; as well as provide a contact person who will be responsible for the maintenance of the property if it becomes vacant. The purpose of the ordinance is to address the problem of vacant properties not being maintained, which is not uncommon with bank-owned properties, and prevent them from negatively affecting surrounding property values and neighborhood quality of life. Louisville Metro spent $1.8 million last year and $12 million over the past 10 years maintaining vacant properties. The proposed penalty for not registering a property is $100.

Louisville Metro Department of Codes and Regulations is in the process of developing a centralized database for vacant and abandoned properties called VAPStat based on the BlightStat program in New Orleans. The program will collect, store, and report information about local foreclosures by the city, code enforcement cases, and demolitions. The data will be disseminated to the community via a monthly online report (M. McGuire, personal communication, October 26, 2012).

Louisville Metro Department of Codes and Regulations has also recently developed a publicly accessible Property Maintenance online mapping tool to show all open property maintenance cases in Jefferson County. The tool allows users to view the property address, whether the property is a structure or lot, if it is currently vacant, and then link to more details about the case including detailed information about the property, complaints, and fines levied against the property. The mapping tool can be accessed at: http://www.louisvilleky.gov/ipl/PropertyMaintenance/map.htm.



Linking Brownfields and Vacant Property Programs

Many abandoned and vacant residential properties suffer from real and perceived on-site environmental contamination, most often from lead and asbestos. Properties located near underground storage tanks left by gas stations may be at risk for petroleum contamination. In addition, during certain periods of urban renewal, it was a common practice to bulldoze blighted residences into their basements, leaving a legacy of unknown lead and other environmental hazards on residential sites that were then covered and rebuilt.

Vacant and abandoned residential properties are often considered low risk when compared to former industrial or commercial properties. However, the U.S. Environmental Protection Agency's (EPA) Brownfield grant programs define *brownfields* broadly at the federal level in the 2001 Small Business Liability Relief and Brownfields Revitalization Act as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant." (2001). This means that under the federal definition of *brownfields*, an assessment and cleanup of residential sites can be considered for funding through these grants. Unlike some other communities that define *brownfields* more narrowly as industrial or commercial only, Louisville follows the federal example and defines *brownfields* broadly, only specifying industrial or commercial in examples rather than definition (Louisville Metro, 2012). Thus, while Louisville Metro puts priority on commercial and industrial sites for brownfields assessment and clean-up grants, there is flexibility to address the perceived and real contamination of residential properties through its brownfields program.

Because Louisville Metro's brownfields program is still in development and a vacant property strategy is also being developed, Louisville has an opportunity to dovetail the two efforts in ways that permit flexibility in accessing resources to address environmental issues in residential areas with concentrated vacancies. For example, how Louisville Metro takes control of properties through the Land Bank Authority matters for addressing contamination. If a property is not environmentally assessed prior to possession, it can be deemed ineligible for assessment or clean-up funds under Louisville Metro's brownfields grants or through other state or federal resources. Consideration should be given to investigating high-risk sites prior to acquisition to avoid this consequence. Any systematic inventory of vacant properties should include information about environmental conditions, risks, and concerns.

Proposed State Legislation

At the state level, new legislation has been passed that allows the proceeds from properties sold at foreclosure auction to first be applied toward paying back taxes, then toward city liens incurred for costs such as maintenance on the property while vacant. Under the old law, paying back a mortgage on the property would often have taken priority over paying back taxes or liens. This change also provides an incentive for the city to pursue a foreclosure filing (which can cost around $1,500 to $2,500) since it will now likely recover its costs, which can ultimately speed up the process of getting vacant properties back to productive use (Otts, 2012).

Recommendations

Addressing vacant property concerns in Louisville should follow a strategy that focuses on four goals:

1. Prevention
2. Short-term solutions (stabilization of neighborhoods)
3. Long-term solutions (systemic and regulatory changes)
4. Evaluation and tracking of the problem and program outcomes

The following recommendations build on efforts already underway in Louisville and offer solutions based on vacant and abandoned property initiatives in other cities.

Painted Boards: A Short-Term Solution

Several cities, including Louisville, have programs where volunteers paint the plywood applied to the windows and doors of vacant properties to make them more attractive. The idea is to show that a neighborhood is attentive to vacant properties, combating the notion that boarded-up properties in a neighborhood are an indication of decline or lack of community control or involvement in solving the problem. The painted boards are often brightly-colored and send the message that neighbors care and are watching. The hope is that such a demonstration of vigilance reduces the instances of crime that often plague vacant properties, such as vandalism, squatting, and theft.

A vacant home in Louisville before the standard plywood board was painted.

The same home after painting the board over the front door.

Urban Gardening on Vacant Properties

Urban gardens are often proposed as a solution for vacant properties. As neighborhoods act on desires to reuse vacant lots for greenspace, whether for a food producing garden, orchard, pocket park, or combination of those, attention to potential soil contamination is important. Under certain circumstances, these types of sites can be eligible for assessment and clean-up assistance from Louisville Metro, the Kentucky Department for Environmental Protection under its Targeted Brownfield Assessment (TBA) Grants, or directly from the EPA through EPA Region 4 TBAs. Louisville Metro also has additional resources for limited soil testing through the Safe Urban Garden Program funded through the Centers for Disease Control and Prevention's Community Transformation Grant. Having the information about the environmental condition of a site under consideration should be standard practice in siting urban gardens and greenspace.

Establish a Local Vacant Property Database

Louisville should develop an online, publicly-accessible database to aid public agencies, developers, neighborhood residents, and other entities in identifying and tracking vacancies. The database should include vacant and abandoned properties identified by various local entities, including the Louisville Metro Department of Codes and Regulations, Louisville Metro Office of Economic Development and Innovation, and the Louisville Water Company, as well as organizations such as NC3 and neighborhood groups. The data should be available via an interactive online map that allows users to select specific properties and link to more information about them, including how the property was identified as vacant (i.e., by what entity or agency), any tax liens on the property, ownership, how long it has been vacant, zoning, environmental conditions, and any other information that may be useful for prospective buyers or developers. VAPStat, the program that is currently under development by Louisville Metro, provides a solid foundation for creating a comprehensive database. This database includes foreclosure and Louisville Metro Department of Codes and Regulations data, but more data sources such as the ones suggested should also be included.

The city's Property Maintenance online mapping tool is a useful starting point for building a publicly accessible, online, comprehensive data source for tracking vacant properties in Louisville. This mapping tool could be expanded and linked to data collected by the VAPStat program, including vacant properties identified by a variety of sources, in order to serve as a more comprehensive resource. Other cities such as Philadelphia (see page 7), Washington D.C., Baltimore, Indianapolis, and Chicago have more comprehensive interactive mapping tools that allow users to identify vacant properties throughout their cities. Cities justify the cost of developing and maintaining these online databases by seeing them as marketing tools for the development of properties, making them a contributor to the tax base instead of drawing on local public resources.

Philadelphia's Strategy for Addressing Vacant Properties

The City of Philadelphia has a comprehensive vacant property strategy with four main goals:

1. Create a transparent and accessible property disposition system for publically held property;

2. Improve maintenance of privately held blighted property through strategic code enforcement efforts;

3. Improve the accuracy of the city's inventory data; and

4. Improve the tax foreclosure process.

The strategy also aims to reduce the number of vacant properties in private hands by facilitating their transfer to public ownership through various means (Collins, Carpenter, and Kennedy, 2012).

Logic Model (How we are going to achieve our targets)

	Publically Owned Property	Privately Owned Property
Inputs	• City Agencies • Staff Time	• Property Data • City and State laws
Activities	• Convened working group to develop uniform disposition policy • Consolidated inventory of all City-controlled vacant property • Created new web-based portal, with online tracking • Created model to generate upfront pricing	• Research to find owners of vacant privately owned properties • Inspections of vacant blighted property • Enacted new legislation to make it expensive to own blighted properties • Created a new Blight Court
Outputs	• Uniform disposition policy for all publically held property • Expression of interests for property • Additional revenue from property sales	• "Windows and Doors" property maintenance fines • Blight Court cases • Back taxes, court fines, and fees from licenses and permits from compliance with maintenance regulations
Outcomes	• Increase sales and market activity • Reduce maintenance burden • Expand development opportunities	• Reduce the number of privately owned blighted properties

Source: Collins, Carpenter, and Kennedy, 2012

The Philadelphia Redevelopment Authority has developed a strategy for marketing vacant properties to potential buyers in order to return them to productive use. The strategy includes a mapping tool that identifies vacant properties and allows users to submit an "expression of interest" to the city about purchasing a specific property. The Redevelopment Authority also has a detailed explanation of who can purchase vacant properties from the city and for what purpose.

Mandatory Vacant Property Registration

Vacant Property Registration ordinances typically require property owners to register their property with a municipality and pay a fee, which may increase over time to encourage their return to productive use, as well as requiring owners to maintain the property to specified standards. As of May 2012, over 550 vacant property registries have been established in the U.S. (Immergluck, Lee, and Terranova, 2012).

While the proposed Louisville Vacant and Abandoned Property ordinance will serve as an important tool for preventing neighborhood decline by identifying properties at the point they enter foreclosure (a point when many properties become vacant), it will not address other forms of vacancy. Properties in the city that have already been foreclosed upon, or those properties that are vacant (or become vacant) but are not in foreclosure, would not be included in the registry. Thus, the proposed registry will be a tool for prevention, but will not help to identify, address, or market properties that are already vacant and bring them back to productive use, which is of particular concern for neighborhoods that have high rates of long-term vacancies. The primary critique of this type of ordinance comes from the mortgage lending industry, suggesting that such a registry will decrease investment in cities that have such an ordinance, but no studies to date have found any such negative effects (Immergluck, Lee, and Terranova, 2012).

Recently, other cities such as Atlanta, Wilmington, Delaware, Cleveland, Ohio, and Los Angeles have developed more comprehensive vacant property registries that require owners to register their properties with the city. In May 2012, Cleveland adopted an ordinance mandating that all residential and commercial vacant properties register with the city within 30 days of becoming vacant. The initial registration fee for residential structures is $200 and doubles each consecutive year, up to a maximum of $3,200 annually. Some buildings are exempt, such as properties that are for listed for sale with a realtor, which do not have to be registered for one year (Worrell, 2012). Wilmington charges owners of vacant properties $500 for the first year, with the fee increasing to $1,000 the second year, and increasing every year thereafter with no maximum (City of Wilmington, 2012). In 2010, Los Angeles passed an ordinance that requires banks and mortgage lenders that foreclose on homes to register them with the city to be accountable for their upkeep. The lenders can be fined up to $1,000 a day if the properties are not maintained to the city's standards, with the ability to levy fines up to $100,000 (Shandrow, 2010).

Serving a Growing Rental Market

In general, there is still weak demand for homes due to high unemployment and strict mortgage requirements, which has led to a greater number of unsold and vacant homes (Federal Reserve, 2012). However, housing needs survey results recently reported in the 2012 *State of Housing in Kentucky* report determined that the single-family rental market in Kentucky is both strong and underserved (Kentucky Housing Corporation, 2012). To meet this need, the Louisville Land Bank Authority, Department of Community Services and Revitalization, or any other entity involved in decision-making about how to return vacant properties to productive use should prioritize the development of both market-rate and affordable/subsidized rental housing.

Land Assembly: Thinking Beyond a Single Property

Through the Louisville Land Bank Authority, the city currently has the ability to eliminate the liens on a property taken by the city through tax foreclosure. This is a powerful tool that allows the city to effectively market properties that may have substantial liens, sometimes more than the property is worth, which would make it otherwise unattractive to investors. Through strategic acquisition of properties, typically through tax foreclosure, the Land Bank has the ability to clear titles and assemble properties for sale, development, or management (rental). The decision to move forward with a tax foreclosure on a particular property by the city is currently consumer driven. That is, if an individual or entity is interested in purchasing a property, the city will proceed with foreclosure on that property to facilitate its return to productive use. However, the city's goal is to engage in strategic land assembly to market properties in bulk for development (M. McGuire, personal communication, October 26, 2012). Strategic land assembly is important because it allows the city to have a substantive impact in neighborhoods that have high vacancy rates by making the transfer of large numbers of properties to developers easier and less costly. Key to the success of large transfers of properties for development is resident and stakeholder involvement in decision-making from the early stages of the planning process to ensure that new development meets the neighborhood's needs.

City of Atlanta Vacant Property Registry

In February 2012, the City of Atlanta established a vacant property registry which requires all owners of non-rental residential property that has been vacant for 30 days or more, including homes that are for sale, to register with the city the contact information of the person or party who is responsible for maintaining the property. The initial registration costs $100 per vacant dwelling and increases to $250 for a registration renewal each following year. Failure to register a property results in a citation in violation of the Atlanta Housing Code (City of Atlanta, 2012). Properties can be registered at: http://www.atlantaga.gov/index.aspx?page=754

Linking a brownfields inventory with a vacant property inventory can help in land assembly and the systematic prioritization of sites so that area-wide planning can succeed and assessment and clean-up funds can be equitably distributed. It has been noted that vacant and abandoned industrial and commercial properties have negative impacts on adjacent residential property values. When abutting or nearby residential properties are also vacant and abandoned, redeveloping those properties only works when done in conjunction with adjacent brownfields redevelopment. Louisville Metro's Land Bank Authority has the ability to strategically take possession of abandoned and vacant properties through processes such as tax foreclosures; this is true of residential, commercial, and industrial properties. Additionally, Metro Properties I and II are separate but related LLCs that hold title to Metro-owned commercial and industrial properties. Metro I is for those without environmental contamination and Metro II can hold title to Metro properties with environmental contamination (T. Zawacki, Louisville Metro Department of Economic Growth and Innovation personal communication, November 8, 2012). Integrating both inventory efforts and programs will permit Louisville Metro, and others, to plan for strategic acquisition without sacrificing access to resources for assessments and clean-ups. A resource for this comprehensive activity is available through the EPA Brownfields Area-Wide Planning Grants.

Eliminate Sale of Tax Debt to Third-Party Investors

Louisville Metro is currently required to sell tax debt to third-party investors, most of whom are located in other cities. These investors pay the delinquent taxes owed on a home and then attempt to collect interest on this money for up to 10 years. This is a somewhat attractive option for local government since it allows some portion of delinquent taxes to be collected at little public expense, and the money from these tax-debt sales would be difficult to lose (local government would need to dedicate public resources to collect these taxes in order to prevent the net tax revenue from declining). However, because third-party investors have the right to collect the interest on their money for up to a decade, these tax-delinquent properties, which are often run-down and a detriment to surrounding properties, sit and cannot be foreclosed on by local government. Thus, Louisville Metro government has less power to address properties that are potentially vacant or abandoned. This issue must be addressed through policy change at the state level.

State Legislation to Promote Brownfields Redevelopment

State programs and laws facilitate a municipality's ability to address both brownfields and vacant property concerns. Currently, Kentucky has a state brownfields program but does not have enabling legislation for innovative financing beyond permitting the creation of tax increment financing (TIF) districts. The use of TIFs in Louisville has been limited and has not integrated improvement of residential sites. Michigan serves as a model state because it developed its brownfields program so that communities can address the abandoned and vacant residential properties as well. Michigan established its brownfield redevelopment program in 1996 under the Brownfield Redevelopment Act PA 381. This allowed municipalities to create Brownfield Redevelopment Authorities and financing structures that could capture tax increment financing using local and school property taxes. In 2000, Michigan expanded its definition of brownfields to "tax reverted, blighted, or functionally obsolete properties." Vacant residential properties are not excluded from this definition. In 2007, Michigan expanded eligible activities that can be financed under the Brownfield Redevelopment Financing Act to include: plan development; property acquisition under a land bank authority; demolition; lead and asbestos abatement on any property that falls under the definition of blighted or functionally obsolete; and environmental liability insurance (Public Acts 201-204). This legislation also expanded the definition of eligible properties to now include those with buried demolition debris. Michigan provides strong model legislation that Kentucky could implement to create the legal and financial structures to address vacant and abandoned residential, commercial, and industrial property in a comprehensive manner (Legislative Council, State of Michigan, 2012; Michigan Department of Environmental Quality, 2012).

Conclusion

While vacant properties are a serious and growing concern in Louisville, much is already being done to address the issue by local government and community organizations. Since many of the local strategies, programs, and policies are in the planning and development stages, there is still an opportunity to build on and link the various efforts, creating a more coordinated and robust response to deal with the issue. Linking various data sources, coordinating tracking efforts, evaluating program outcomes, providing open data and opportunities for public participation in decision-making, and ensuring properties are acquired and owned by the city in a way that allows for public resources to be effectively utilized are all important strategies that can inform the future development of efforts already underway.

Neighborhood Stabilization Program Investment In Louisville

THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP), administered by the U.S. Department of Housing and Urban Development (HUD) in conjunction with state and local agencies and nonprofit organizations, is a component of the Community Development Block Grant Program (CDBG) that works to stabilize neighborhoods that have suffered from high rates of foreclosure and abandonment. The first round of NSP funding (NSP-1) was created by Congress as part of the Housing and Economic Recovery Act of 2008 and concludes in 2013. The program is directed at foreclosed and abandoned properties by enabling funded entities to: establish financing mechanisms for redevelopment, purchase and rehabilitate foreclosed and abandoned properties; demolish blighted structures; and redevelop demolished or vacant properties. Louisville Metro is working with River City Housing, New Directions Housing Corporation, REBOUND, Inc., YouthBuild Louisville, and Habitat for Humanity to target neighborhoods that are considered “Areas of Greatest Need” in Jefferson County. These areas include 14 census tracts across five neighborhoods: the Shawnee neighborhood, Park DuValle, Portland, Newburg, Smoketown, and Shelby Park. In total, Louisville Metro received $6,973,721 to invest in these target areas. As of June 2012, $4,390,322.35 has been spent.

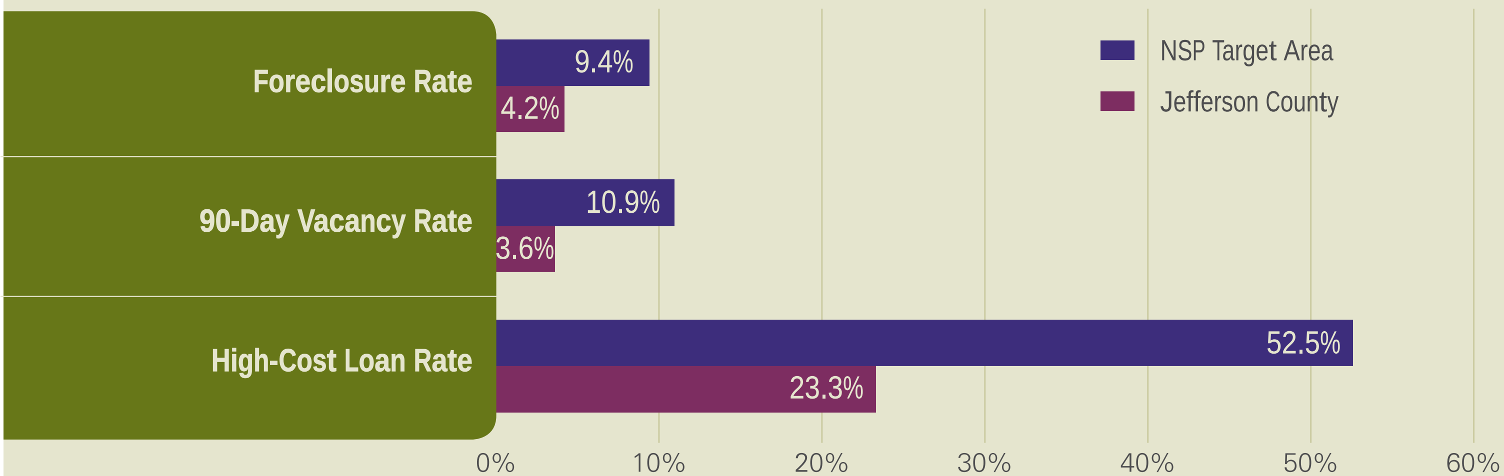
NSP Area Characteristics

The estimated foreclosure rates for these census tracts range from 5.7 percent to 11.7 percent, with an average of 9.0 percent, more than twice the estimated rate of 4.2 percent for Jefferson County as a whole. The estimated vacancy rate, based on U.S. Postal Service Data for the second quarter of 2012, is 11 percent, compared to 3.6 percent for the county as a whole. In addition, over half of the mortgages issued between 2004 and 2006 leading up to the housing crash were high-cost mortgages (52.6 percent), compared to 23.3 percent in Jefferson County as a whole (U.S. Department of Housing and Urban Development, 2012). These high-cost mortgages are responsible for a large number of foreclosures and resulting vacancies in Louisville and across the U.S. These characteristics, considered in conjunction with other demographics (see *Measure 2: Housing Segregation by Income, Race/Ethnicity, and Gender* in this report), present a strong case for public investment to help stabilize these neighborhoods.

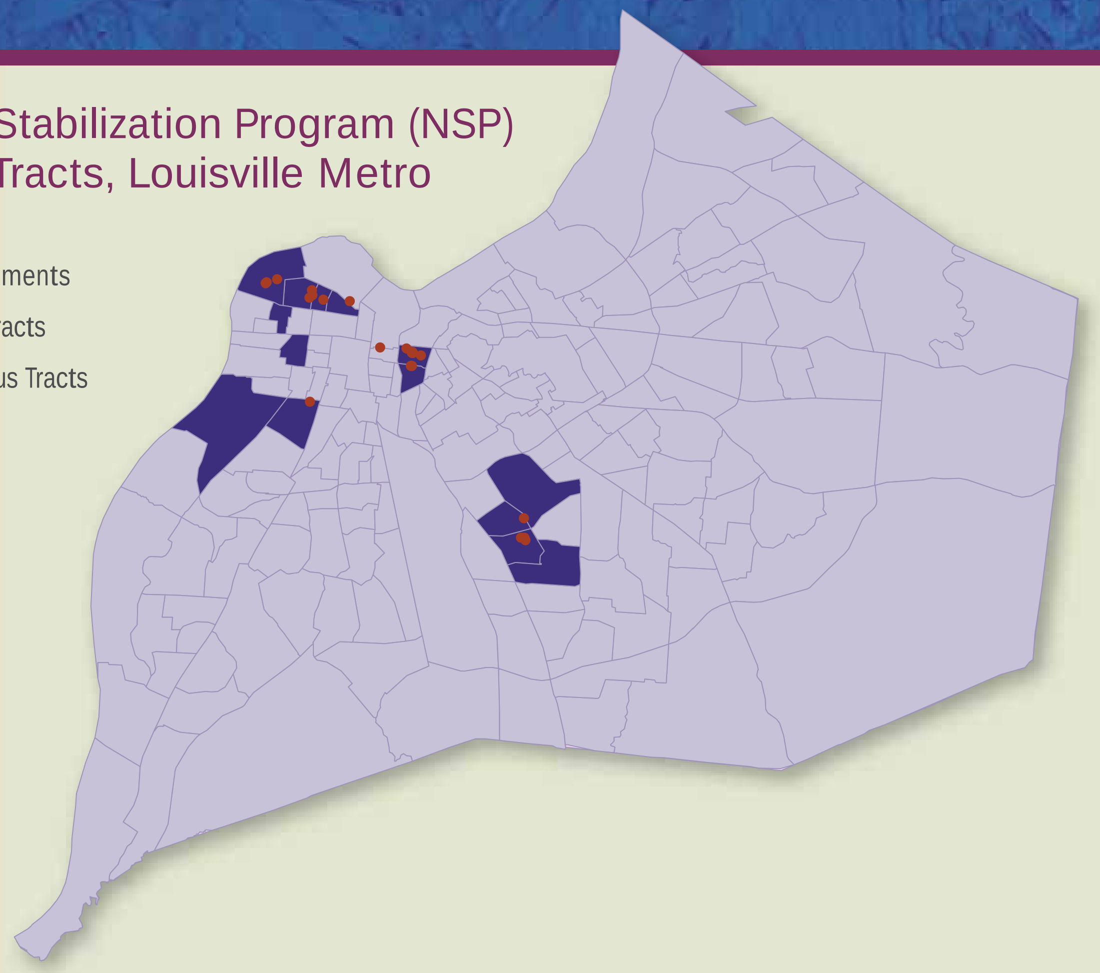
NSP Funded Developments and Economic Impact

NSP funding allocated to Louisville Metro has thus far developed 17 for-purchase housing units, nine single-family rental units, and two public facilities in the target areas. According to the National Association of Home Builders, the economic impact of the construction of the 17 for-purchase housing units is calculated to produce $1,530,000 in total government revenue, including $1,139,000 in federal taxes and $391,000 in state and local taxes. The construction is also calculated to produce 51 jobs, including 25.5 in the construction industry (National Association of Home Builders, 2012). Proceeds from the sale of NSP funded homes will be reinvested in the NSP target neighborhoods by the partnering non-profits. These investments are important in that research has demonstrated that higher rates of owner-occupied homes in a neighborhood increase neighborhood stability and surrounding property values (Ellen, Schill, Schwartz, and Susin, 2002; Rohe and Stewart, 1996), as well as reduce crime (Glaeser and Sacerdote, 1999). The construction of nine single-family rental units also comes at a time when larger, family public housing units are being lost (see Measures 3 and 4 in this report).

Characteristics of NSP Target Areas vs. Jefferson County as a Whole



Neighborhood Stabilization Program (NSP) Target Census Tracts, Louisville Metro



Two public facilities have been developed for YouthBuild and Habitat for Humanity; NSP funding to these community organizations expands their capacity to provide needed services to the community. The YouthBuild facility, located in the Smoketown neighborhood, provides GED completion courses and training in the construction trade for young adults, amongst other services. With the NSP funding, YouthBuild expects to double the number of persons served in their programs, and plans to begin training in green construction techniques. The facility was constructed using sustainable building practices, and reduces the organization's use of resources by providing a more centralized location for operations. The facility for Habitat for Humanity in the Portland neighborhood serves as a centralized headquarters for their operations, reducing their overall financial and time expenditures. This reduction in costs is projected to increase revenues that will be used to construct 300 new family homes by 2019 (Louisville Metro Department of Community Services and Revitalization, 2012). Habitat for Humanity has also engaged NC3 to complete neighborhood maps for the surrounding area and is planning to develop a neighborhood reinvestment strategy to use both land and existing housing to support its client base.

East St. Catherine Street Development in the Shelby Park Neighborhood

NSP funding allowed New Directions Housing Corporation to acquire property and construct five new single-family homes in the Shelby Park Neighborhood. The homes were sold to NSP-eligible low- and moderate-income buyers. Four of these homes are Energy Star Qualified homes, and the fifth has Energy Star appliances. While sustainable construction practices such as these were suggested in the NSP1 and NSP2 grants, NSP3 funds will include a mandate that all newly-constructed and rehabilitated homes be Energy Star Qualified. Energy efficiency makes the homes more environmentally sustainable, as well as financially sustainable for both buyers and renters, since lower utility bills and maintenance make them more affordable long-term (M. Gardner, New Directions Housing Corporation, personal communication, November 14, 2012).

> *"The New Directions-powered residential development along East St. Catherine Street has generated interest in the Shelby Park Neighborhood. Although it was quite an accomplishment to plan, construct, and sell single-family owned homes in a recession, the neighborhood and New Directions learned that Shelby Park could garner the attention of potential home buyers because of its central location in the downtown area."*
>
> *— Chip Rogalinski, President, Shelby Park Neighborhood Association*

Before NSP funding: Vacant homes on East St. Catherine Street in the Shelby Park Neighborhood.

After NSP funding: Completed homes on East St. Catherine Street built by New Directions Housing Corporation.

In addition to Louisville Metro's NSP funds, $3,502,275 in state NSP allocations were also applied in Louisville Metro to aid in areas called Neighborhood Investment Clusters (NICs). The Commonwealth of Kentucky applied funding to two NICs along the western edge of Jefferson County. The program treated 81 properties: the construction of 45 new homes by The Housing Partnership, Inc., rehabilitation of seven homes, and the land banking of 29 properties (this is NSP land banking, rather than the acquisition of properties for the Louisville Metro Land Bank Authority). In addition, the State of Indiana applied funding to one NIC in New Albany for five properties: the construction of two homes, the rehabilitation of two homes, and the construction of one public facility. The NSP investment appears to have stabilized and improved home values in NIC1 in Jefferson County, compared to other similar areas of the county where no NSP investment occurred (see table).

Home Price Characteristics for Neighborhood Stabilization Program (NSP) Neighborhood Investment Cluster 1 (NIC 1) vs. Comparable Areas, Louisville Metro, 2006–2011

	NSP NIC 1	Comparable Area A	Comparable Area B	Comparable Area C
Home Price Appreciation 2006-2008 (pre housing crash)	-26.95%	-24.47%	-21.02%	5.36%
Home Price Appreciation 2006-2008 (after housing crash and NSP investment)	-16.69%	-40.72%	-53.13%	-49.15%
Median Home Sales Price 2008	$57,562	$52,000	$48,000	$59,000
Median Home Sales Price 2011	$47,952	$30,825	$22,500	$30,000
Median Home Sales Price Change 2008-2011	-$9,610	-$21,175	-$25,500	-$29,000
Number of NSP Investments	74	0	0	0

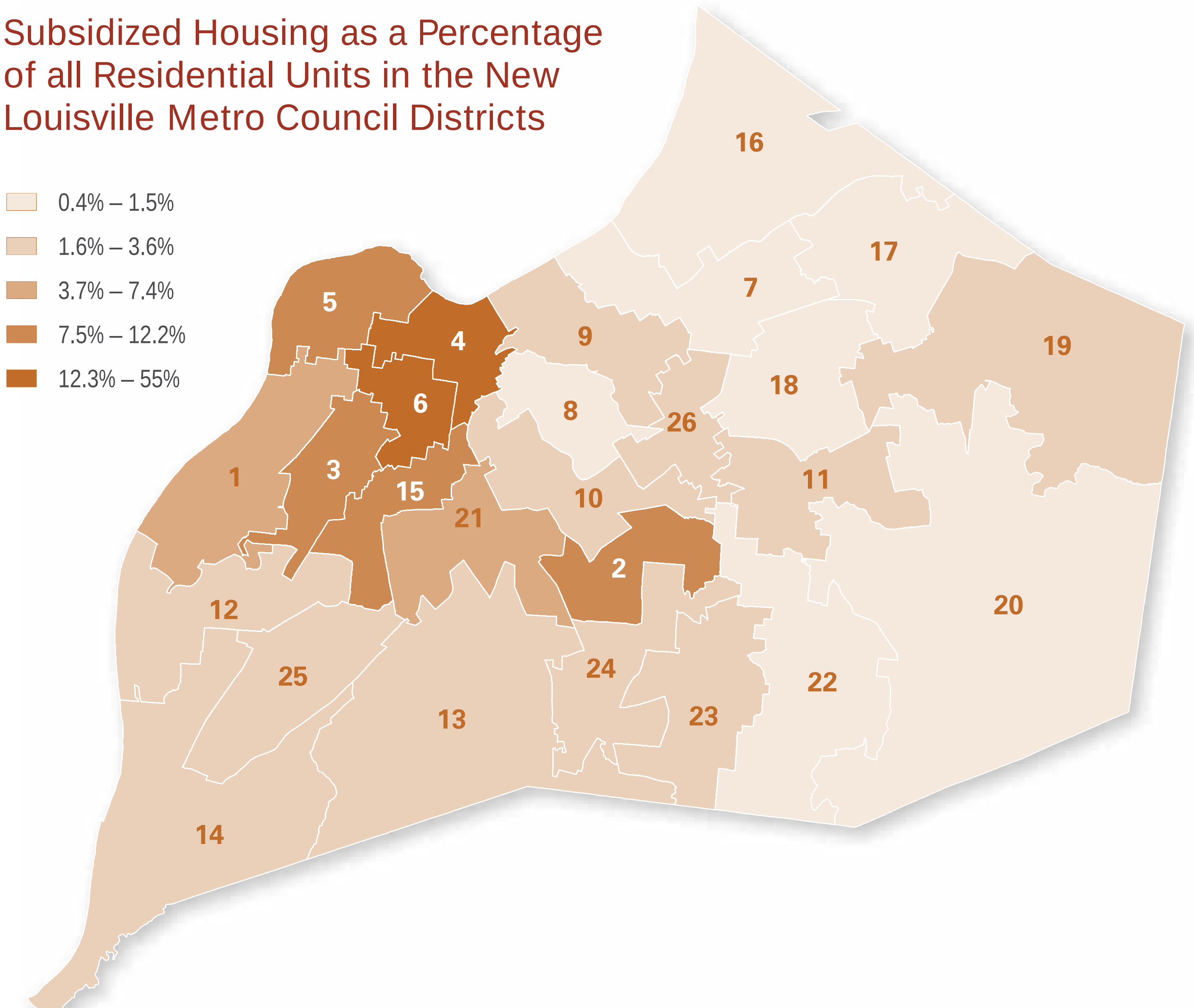
MEASURE 1
Concentration of Subsidized Housing

Following the redistricting in November 2011, most Louisville Metro Council districts saw little change in the percentage of subsidized housing units in their respective districts. Two exceptions to this were districts 6 and 4, which saw a 17 percent increase and a 7 percent decrease in their number of subsidized units, respectively. These two districts also continue to have the greatest number and greatest percentage of subsidized housing units in the county, as they did prior to redistricting. In addition, council districts 1, 2, 3, 4, 5, 6, and 15 combined are home to nearly three-fourths of all subsidized units, which remains unchanged from the former council district boundaries. These subsidized units include public housing, Section 8 housing choice voucher (HCV), and Section 8 site-based units.

Housing units receiving Low-Income Housing Tax Credits (LIHTC) in Louisville Metro are heavily concentrated in the northwest part of the county. Of all LIHTC units, 82 percent are located in just four council districts (1, 4, 5, and 6), and 98 percent are located in just 8 districts (1-6, 12, and 15).

MHC recommends changes to the Land Development Code for Louisville Metro and all other cities in Jefferson County to permit multi-family housing and/or smaller lot sizes – with compatible design – in R4 and R5 zoning districts. MHC recommends providing incentives to create housing that is affordable outside of areas with high rates of affordable housing.

Subsidized Housing as a Percentage of all Residential Units in the New Louisville Metro Council Districts



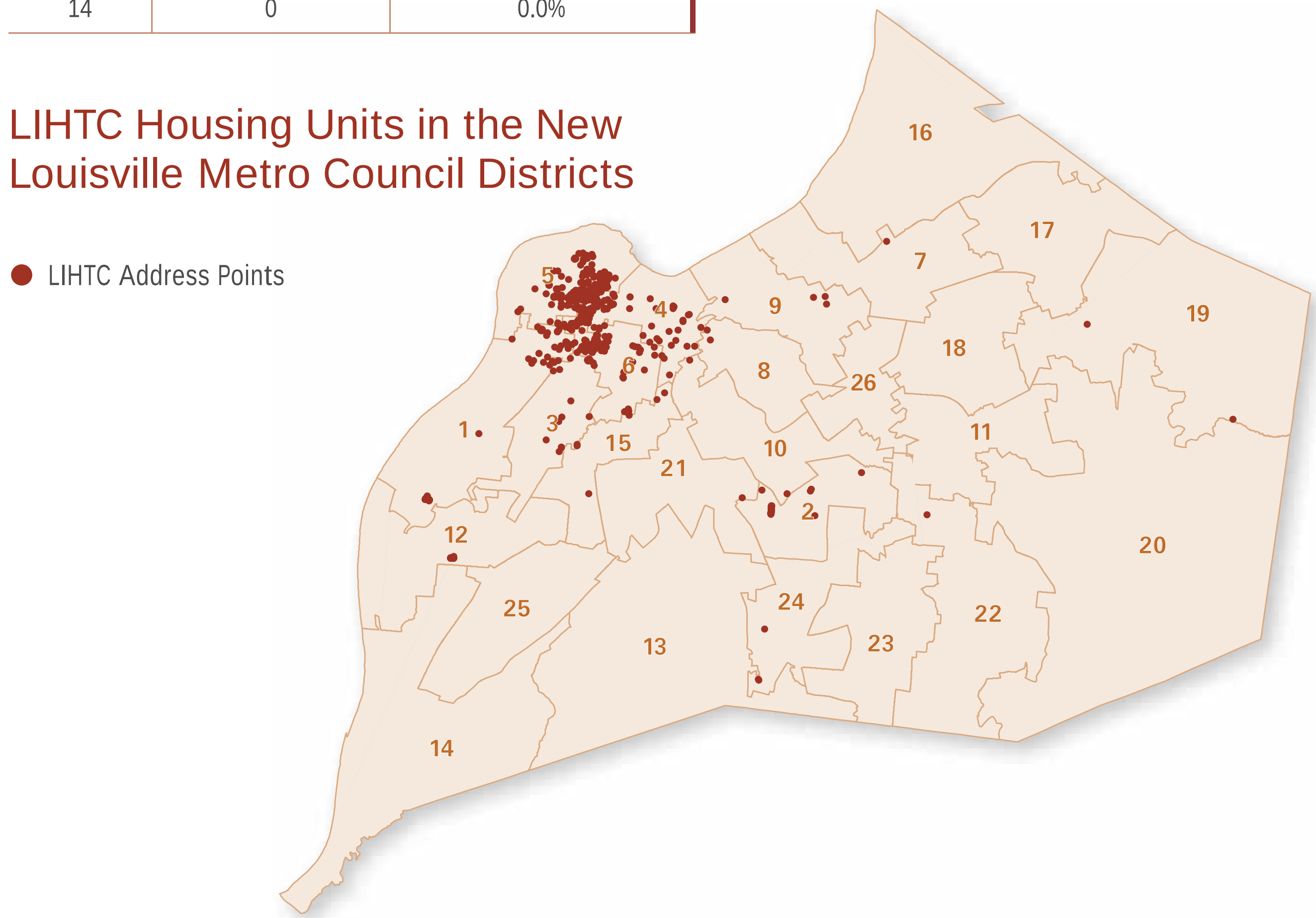
2011 Subsidized Housing Units by Louisville Metro Council Districts

Louisville Metro Council District	Total Housing Units	Subsidized Housing Units			Total Subsidized Housing Units	Subsidized Housing as a Percentage of Total Council District Housing
		Public Housing	Section 8 Voucher	Section 8 Site-Based		
1	13,651	101	847	66	1,014	7%
2	12,919	25	888	347	1,260	10%
3	12,213	42	826	424	1,292	11%
4	8,741	2,265	764	1,772	4,801	55%
5	13,282	57	1,018	543	1,618	12%
6	7,588	893	867	1,014	2,774	37%
7	13,957	17	74	0	91	1%
8	14,385	0	50	103	153	1%
9	15,590	24	179	49	252	2%
10	13,839	105	241	28	374	3%
11	13,081	35	193	69	297	2%
12	12,357	0	216	0	216	2%
13	12,878	0	293	147	440	3%
14	12,332	0	193	10	203	2%
15	13,513	371	735	420	1,526	11%
16	13,785	0	36	0	36	0%
17	12,719	17	36	0	53	0%
18	14,424	6	14	184	204	1%
19	14,605	29	54	274	357	2%
20	13,627	0	58	0	58	0%
21	12,692	6	355	368	729	6%
22	15,027	21	93	0	114	1%
23	12,469	12	80	117	209	2%
24	12,937	46	395	0	441	3%
25	12,580	22	238	0	260	2%
26	12,666	18	179	154	351	3%
Total	**337,857**	**4,112**	**8,922**	**6,089**	**19,123**	**6%**

Low Income Housing Tax Credit Addresses by Louisville Metro Council District, 2012

Council District	Number of LIHTC Addresses	Percent of Total Number of LIHTC Addresses	Council District	Number of LIHTC Addresses	Percent of Total Number of LIHTC Addresses
1	92	15.1%	15	12	2.0%
2	30	4.9%	16	0	0.0%
3	23	3.8%	17	0	0.0%
4	111	18.2%	18	0	0.0%
5	163	26.7%	19	1	0.2%
6	134	22.0%	20	1	0.2%
7	1	0.2%	21	0	0.0%
8	2	0.3%	22	1	0.2%
9	4	0.7%	23	0	0.0%
10	2	0.3%	24	3	0.5%
11	0	0.0%	25	0	0.0%
12	30	4.9%	26	0	0.0%
13	0	0.0%	**Total**	**610**	**100.00%**
14	0	0.0%			

LIHTC Housing Units in the New Louisville Metro Council Districts



MEASURE 2

Housing Segregation by Income, Race/Ethnicity, and Gender

Economic Status

In 2011, an estimated 17.2 percent of the Louisville Metro population had incomes below the poverty level; for the whole Louisville MSA, the total was 15.3 percent. For Louisville Metro families, 13 percent had incomes below the poverty threshold, while 11.7 percent of families in the entire Louisville MSA earned less than the poverty level (American Community Survey, 2011). Narrowing the population down to the individual level shows that 27.5 percent of children 18 years and under in Louisville Metro were in poverty; for the Louisville MSA the total was 22.9 percent. For seniors 65 years and older in Louisville Metro, 9.3 percent of incomes were below the poverty threshold, whereas for the Louisville MSA, 9.6 percent of seniors had incomes below the poverty level (American Community Survey, 2011).

The 2011 median earnings for workers in Louisville Metro were $27,965; this includes all workers, whether full-time or part-time. However, the median earnings for the entire Louisville MSA were $29,038, nearly $2,000 more than Louisville Metro alone. Of the Louisville Metro population 18 to 64 years in the labor force, 88.2 percent were employed in 2011; in the Louisville MSA the percentage of employment was one point higher at 89.2 percent (American Community Survey, 2011).

Race/Ethnicity

An estimated 20.5 percent of the Louisville Metro population is black or African-American, while an estimated 73.2 percent is white. The ratio of whites to black or African-Americans is higher in the Louisville MSA; 81.2 percent of the population is reported as white as compared to 13.5 percent black or African-American. The Louisville Metro black or African-American population changed little over the past year (the 2010 American Community Survey estimate was 20.6 percent); however, for the entire Louisville MSA the estimated black or African-American population shows a 1.5 percent decrease. The highest concentration of the black or African-American population in Louisville Metro is in the western portion of the city. Located in this part of the city are older homes, aging infrastructure, and fewer job opportunities than in other parts of the city. The historic Newburg neighborhood also has a higher concentration of black or African-Americans. The map showing Louisville Metro's black or African-Americans by census block groups illustrates the city's continued pattern of segregation by race (American Community Survey, 2011).

The estimated Hispanic/Latino population within Louisville Metro is 4.5 percent, whereas it is estimated to be 4 percent of the total Louisville MSA population. These percentages represent a comparative 0.1 percent increase for both the city and the combined MSA counties for the years 2010 and 2011. The majority of the Louisville Metro Hispanic/Latino population lives in the south-central area of the city (American Community Survey, 2011).

Gender

About one quarter (24.9 percent) of Louisville Metro families are headed by a female, with no husband present; for the Louisville MSA, females head approximately one-fifth (20.7 percent) of family households. When compared with married-couple families and male-householder families with no wife present, the greatest disparity is in median income. The 2011 median incomes for Louisville Metro and Louisville MSA female family householders with no husband present are $27,618 and $26,361 respectively; this annual income is barely enough to afford a two-bedroom unit at Fair Market Rent (see *Measure 3: Renters with Excessive Cost Burden*, in this report). By comparison, these median salaries are much lower than those earned by both married-couple and male-headed families with no wife present. The median income for Louisville Metro female-headed families with no husband present is 64 percent less than the median income of their married-couple counterparts and 35 percent less than male householder families with no wife present. For the Louisville MSA the difference in female householder families with no husband present's median income is 65 percent less when compared to married-couple families and 40 percent less as compared to male householder families with no wife present (American Community Survey, 2011).

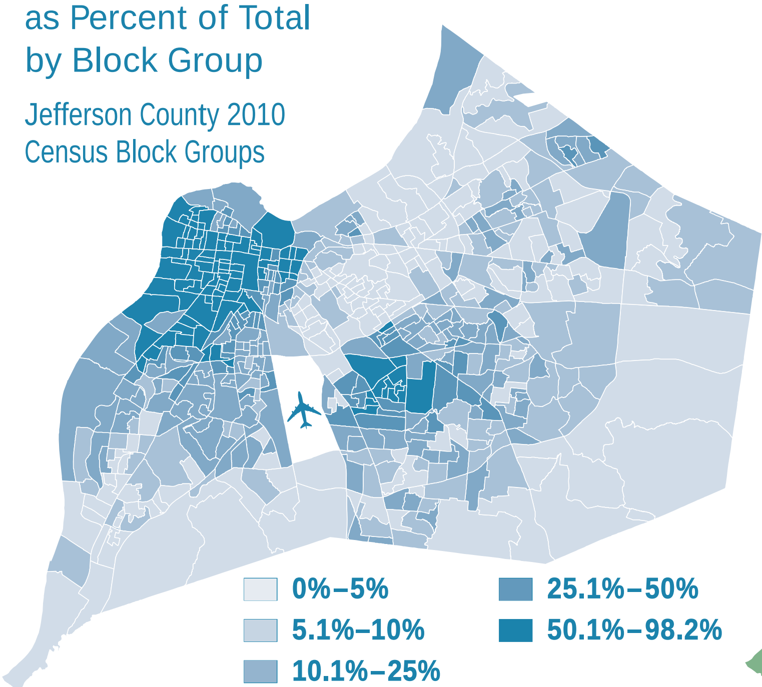
In respect to poverty status, nearly one-third (32.2 percent) of Louisville Metro female householders with no husband present had family incomes that were below the poverty threshold; for the Louisville MSA, the percentage is 34.4. As with the gap in median incomes, poverty status of female-headed families with no husband present is much higher than both married-couple families and male householder families, no wife present – Louisville Metro families below the poverty threshold: 5.5 percent of married-couple families and 16.8 percent of male-headed families, no wife present; for the Louisville MSA families with incomes below the poverty threshold: 4.5 percent of married-couple families and 17.1 percent of male-headed families, no wife present (American Community Survey, 2011).

MHC recommends:

1. *All Louisville Metro departments and housing industry professionals make the 20-Year Action Plan for Fair Housing of the Louisville Metro Human Relations Commission a high priority in all policy and resource allocation decisions.*
2. *Enact Land Development Code changes focused on the development of design-compatible affordable housing, both rental and for homeownership, in all areas of Louisville Metro.*
3. *Require fair housing education of all government officials who review development proposals.*

2010 Black or African American Population as Percent of Total by Block Group

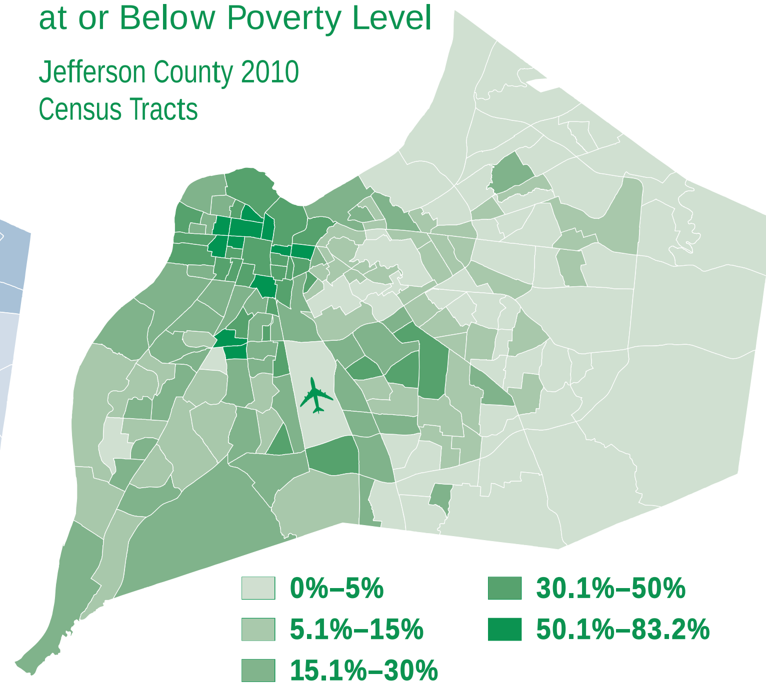
Jefferson County 2010
Census Block Groups



***Source:** 2010 Census Summary File 1*

2010-2015 Estimated Percent of Population at or Below Poverty Level

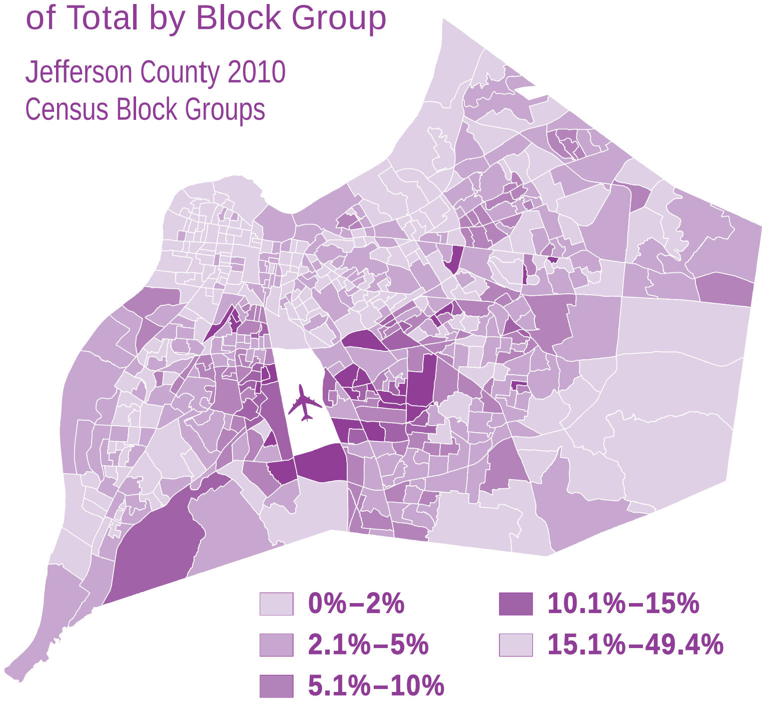
Jefferson County 2010
Census Tracts



***Source:** 2010–2015 American Community Survey 5-year Estimates*

2010 Hispanic Population as Percent of Total by Block Group

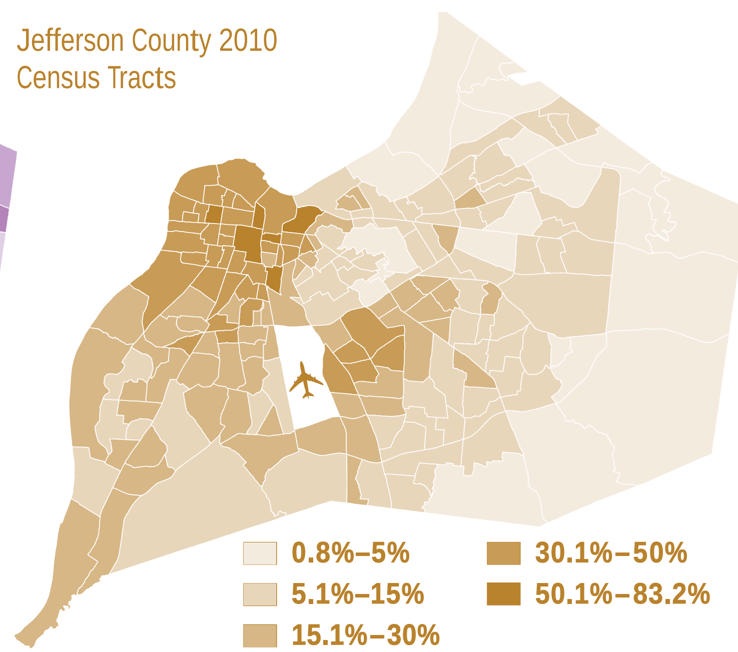
Jefferson County 2010
Census Block Groups



***Source:** 2010 Census Summary File 1*

Female Householder, No Husband Present, with Related Children Under 18 As Percent of All Families with Children Under 18

Jefferson County 2010
Census Tracts



***Source:** 2010 Census Summary File 1, Table P-39*

MEASURE 3
Renters with Excessive Cost Burden

The Fair Market Rents (FMRs) developed by HUD are used by housing authorities to determine rents for the Section 8 voucher program, site-based Section 8 contracts, and housing assistance payment (HAP) contracts, and also used to set rent ceilings in the HOME rental assistance program. FMRs are gross rent estimates; these estimates include shelter rent and utilities (not included are telephone, cable, or satellite television).

The FY2012 FMR for a two-bedroom unit within the Louisville MSA is $698, which is a slight reduction in rent (2.2 percent decrease) from the FY2011 FMR for the same sized unit. The income needed to afford a two-bedroom unit at FMR is $27,920; the hourly wage needed to afford this unit is $13.42 (or 1.9 full-time jobs at minimum wage). The median household income for renters in the Louisville MSA is $25,633, which falls short of the income needed to afford a two-bedroom unit at FMR by $2,287 annually.

One third (31 percent) of all households in the Louisville MSA are renter-occupied (for Louisville Metro, the percentage is 36.2.) Of the number of families in the Louisville MSA that rent housing units, more than half (53.1 percent) had annual incomes below the poverty level (American Community Survey, 2011).

Though FMR estimates cover rent and utilities, families are faced with the ever-rising costs of basic goods and services; from 2010 to 2010, home food prices rose by 4.8 percent. Transportation costs were up by 9.8 percent, with a 26.5 percent increase in motor fuel, and public transportation costs going up by 7.2 percent (Bureau of Labor Statistics, 2012).

Perhaps the greatest burden for families and households is the ability to find and retain a job with a livable wage. Of the half-million workers in the Louisville MSA, a third are employed in jobs that pay less than the $27,920 (or $13.42/hour) needed to afford a two-bedroom unit at FMR. A quarter of these employees (48,270) work in the food preparation or serving related industry and over 10,000 work in healthcare support occupations (Bureau of Labor Statistics, 2012). Most, if not all, businesses cannot function without low-wage employees, yet when the costs of rent and commodities rise, these individuals and families face the greatest impact.

To fully understand the cost burden of renters, this measure should be read in conjunction with the other measures in this report that focus on the *Production and Rehabilitation of Affordable Housing* (Measure 4), *Homelessness* (Measure 8), and *CDBG and HOME Funds* (Measure 9). The number and percentage of Jefferson County Public School students experiencing homelessness is at a record high and is more than double the rate reported in past *State of Metropolitan Housing Reports*. This has occurred during the same time period that Louisville saw a dramatic drop in federal funding for housing and allocated over 40 percent of remaining Community Development Block Grant funds into rebuilding public housing when those dollars could have been used to create increased numbers of subsidized units. The decision to rebuild public housing has led to decreased subsidized units at a time when they were most needed. The Weatherization Program funded by federal stimulus dollars has ended, leaving units in older neighborhoods both financially and environmentally unsustainable.

MHC recommends that all economic and/or housing development projects supported by Louisville Metro government by any financial vehicle must contain the creation or rehabilitation of housing affordable to those at 60 percent of median income or lower. MHC also recommends fully funding the Louisville Affordable Housing Trust Fund. MHC recommends a focus on energy efficient rehabilitation of both owner-occupied and rental units in older neighborhoods with a concentration of persons with incomes below 60 percentage of median income.

MEASURE 3
Renters with Excessive Cost Burden (CONTINUED)

Louisville MSA
Fair Market Rents by Unit Bedrooms, 2000–2012

FMR Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY2000	$318	$408	$501	$691	$729
FY2001	$323	$415	$510	$703	$741
FY2002	$358	$460	$565	$779	$821
FY2003	$368	$473	$581	$801	$845
FY2004	$369	$475	$583	$804	$848
FY2005	$432	$503	$597	$852	$891
FY2005 Revised Final	$400	$466	$553	$789	$826
FY2006	$411	$473	$563	$785	$834
FY2007	$426	$492	$584	$816	$867
FY2008	$483	$559	$663	$926	$984
FY2009	$496	$573	$680	$950	$1,009
FY2010	$499	$577	$684	$956	$1,015
FY2011	$506	$585	$694	$970	$1,030
FY2012	**$509**	**$588**	**$698**	**$975**	**$1,036**
% Change from FY2011-FY2012*	**-2.3%**	**-2.3%**	**-2.2%**	**-2.3%**	**-2.3%**
% Change from FY2000-FY2012*	**19.2%**	**7.3%**	**3.7%**	**5.0%**	**5.7%**

**adjusted for inflation*

MEASURE 4
Production and Rehabilitation of Affordable Housing

Section 8 Housing Choice Vouchers

There was little change from 2011 to 2012 in the number of Section 8 vouchers issued in Louisville Metro (8,907 issued in 2012 as compared to 8,936 in 2011, a difference of -29). In southern Indiana, there were 45 fewer Section 8 vouchers distributed (1,279 in 2011 as compared to 1,234 in 2012), representing a 4 percent decrease in one year. There were an additional 163 Section 8 vouchers issued throughout the Kentucky counties located within the Louisville MSA; this constitutes an increase of 17 percent. However, there does not appear to be a pattern in the number of vouchers distributed from year to year; some counties show a sharp increase from 2011 to 2012, whereas other counties show a significant drop in the number of vouchers issued during the same time period.

Section 8 Site-Based

Within the Louisville MSA, there was an overall drop (9 percent, or 728 units) in Section 8 Site-Based housing units. The greatest decline was in Louisville Metro, where there are now 5,294 units as compared to 6,089 units in 2011 (a 13 percent decrease in the number of units). While the number of site-based units in Louisville Metro declined, there are an additional 67 units (a 7 percent increase) in the Kentucky counties within the Louisville MSA, and no change in the number of site-based units (1,209) in Clark, Floyd, Harrison, and Washington counties in Indiana.

Public Housing

Within the 13-county Louisville MSA, there are 6,210 public housing units; 4,125 of these units are located in Louisville Metro. Over the past decade, the count of these housing units has decreased by over 300 (a 5 percent loss); the total count in 2002 was 6,551. This 10-year loss of housing units has primarily taken place in Louisville Metro due to the demolitions of the Cotter and Lang public-housing complexes (now Park DuValle), the Clarksdale public-housing complex (now Liberty Green), and the Sheppard Square and Iroquois Homes complexes. According to the Louisville Metro Housing Authority's (LMHA) FY2007 Moving to Work Plan, there were 5,140 units of public housing in 2004. Compared to today's 4,125 units, this is a loss of over 1,000 public housing units since the city-county merger. The public housing stock for the other Indiana and Kentucky counties located within the Louisville MSA has remained relatively unchanged.

As LMHA replaces public housing units, a significant portion of the new public housing for families has higher income requirements than what it replaced, confining the lowest income households with children to the oldest and most obsolete public housing.

Waiting Lists

There are 21,542 households on the Louisville Metro Housing Authority's waiting list for either a public housing unit or a Section 8 housing choice voucher. Though this reflects a decrease of about 2,800 from the figure reported in the *2011 State of Metropolitan Housing Report*, it should be noted that over the past year the Housing Authority performed a thorough update of its waiting list, purging names of those who had been served or were no longer eligible for assistance.

Outside of Louisville Metro, there are 1,038 households on the Section 8 housing choice voucher waiting list for the Kentucky counties within the Louisville MSA; only Bardstown and Eminence have housing authorities, and the total of their combined waiting lists is 53 households. In the Indiana counties within the Louisville MSA, there are 450 households on the Section 8 housing choice voucher waiting list and 272 households on the public housing waiting list.

MHC recommends that the Louisville Metro Housing Authority review its policies to ensure that LMHA provides equal housing choice to lowest income families with children as provided to higher income and elderly LMHA clients. MHC recommends that LMHA ensure that all units that served families with children have one-for-one replacement with units that serve families with children as HOPE VI replacement occurs. MHC recommends that LMHA increase the number of units that serve families with children and units that serve persons with disabilities.

MEASURE 4
Production and Rehabilitation of Affordable Housing (CONTINUED)

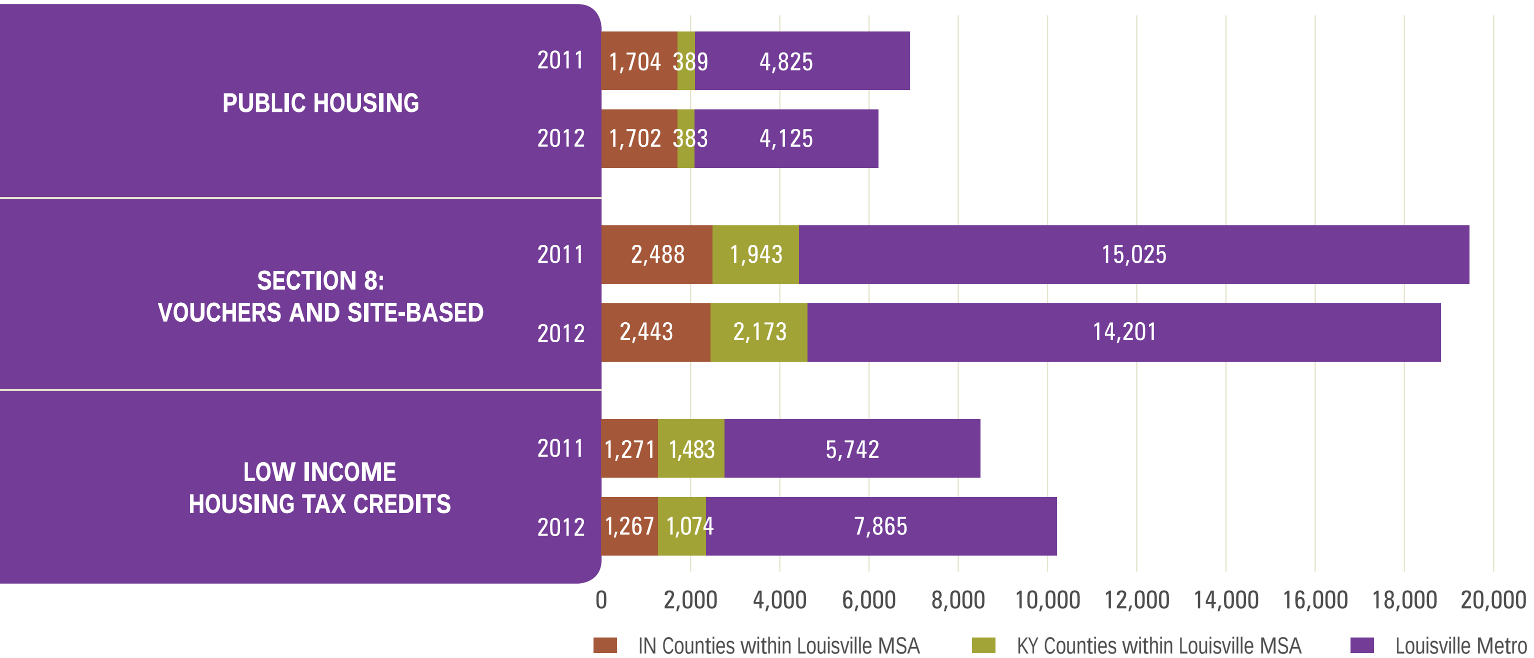
2012 Inventory of Federally-Subsidized Affordable Housing Units

Louisville MSA	Louisville Metro	Indiana Counties within Louisville MSA	Kentucky Counties within Louisville MSA	Louisville MSA
Total Public Housing Units	4,125	1,702	383	6,210
Total Section 8 Voucher Units	8,907	1,234	1,135	10,539
Total Section 8 Site-Based Units	5,294	1,209	1,038	7,541
Total Section 8 Vouchers & Site-Based Units	*14,201*	*2,443*	*2,173*	*18,080*
Total LIHTC Units	7,865	1,267	1,074	10,206

2011 Inventory of Federally-Subsidized Affordable Housing Units

Louisville MSA	Louisville Metro	Indiana Counties within Louisville MSA	Kentucky Counties within Louisville MSA	Louisville MSA
Total Public Housing Units	4,825	1,704	389	6,918
Total Section 8 Voucher Units	8,936	1,279	972	11,187
Total Section 8 Site-Based Units	6,089	1,209	971	8,269
Total Section 8 Vouchers & Site-Based Units	*15,025*	*2,488*	*1,943*	*19,456*
Total LIHTC Units	5,742	1,271	1,483	8,496

Number of Subsidized Rental Units, Louisville MSA by Program Type
Years 2011 and 2012



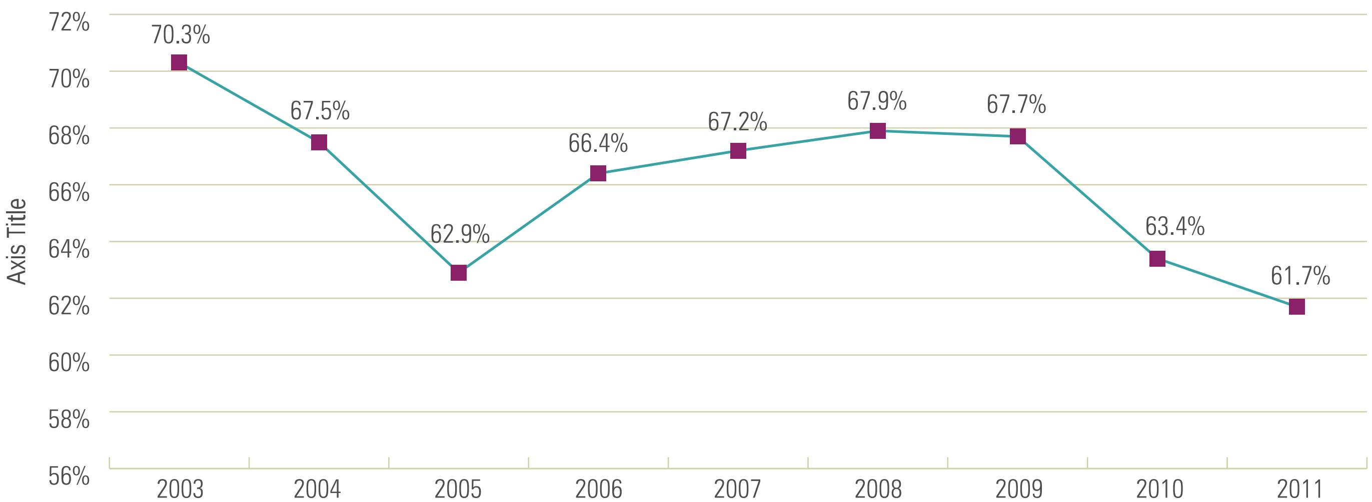
MEASURE 5
Homeownership Rate

In 2011, the homeownership rate for the Louisville MSA was 61.7 percent, down from 63.4 percent in 2010. This is the lowest rate of homeownership for the Louisville area since the *State of Metropolitan Housing Report* began tracking the figure in 2003, at which time 70.3 percent of residents owned their homes. While mortgage interest rates remain at historic lows, high rates of foreclosure and reduced access to homeownership, which includes stricter mortgage approval standards related to credit scores, debt-to-income ratio, and down payments (See Measures 6 and 7 in this report) are likely contributors to the reduced rate of homeownership. The Louisville MSA homeownership rate of 61.7 percent is now below the average rate for all MSAs in the US of 64.6 percent.

Since 2008, black homeownership has dropped to a greater degree than white homeownership in the U.S. In 2008, the white homeownership rate was 75.0 percent, compared to 47.4 percent for black homeownership. In 2011, the white homeownership rate dropped to 73.8 percent, a reduction of 1.2 percentage points from 2008, and black homeownership dropped to 45.0 percent, a reduction of 2.4 percentage points, double the reduction in white homeownership (U.S. Census Bureau, 2012).

MHC recommends that there be easy access to accredited foreclosure counseling, particularly with the opportunity offered by the mortgage fraud settlement funds. MHC also recommends increased access to attorneys to represent homeowners who are delinquent in payment.

Louisville MSA Homeownership Rate, 2003–2011

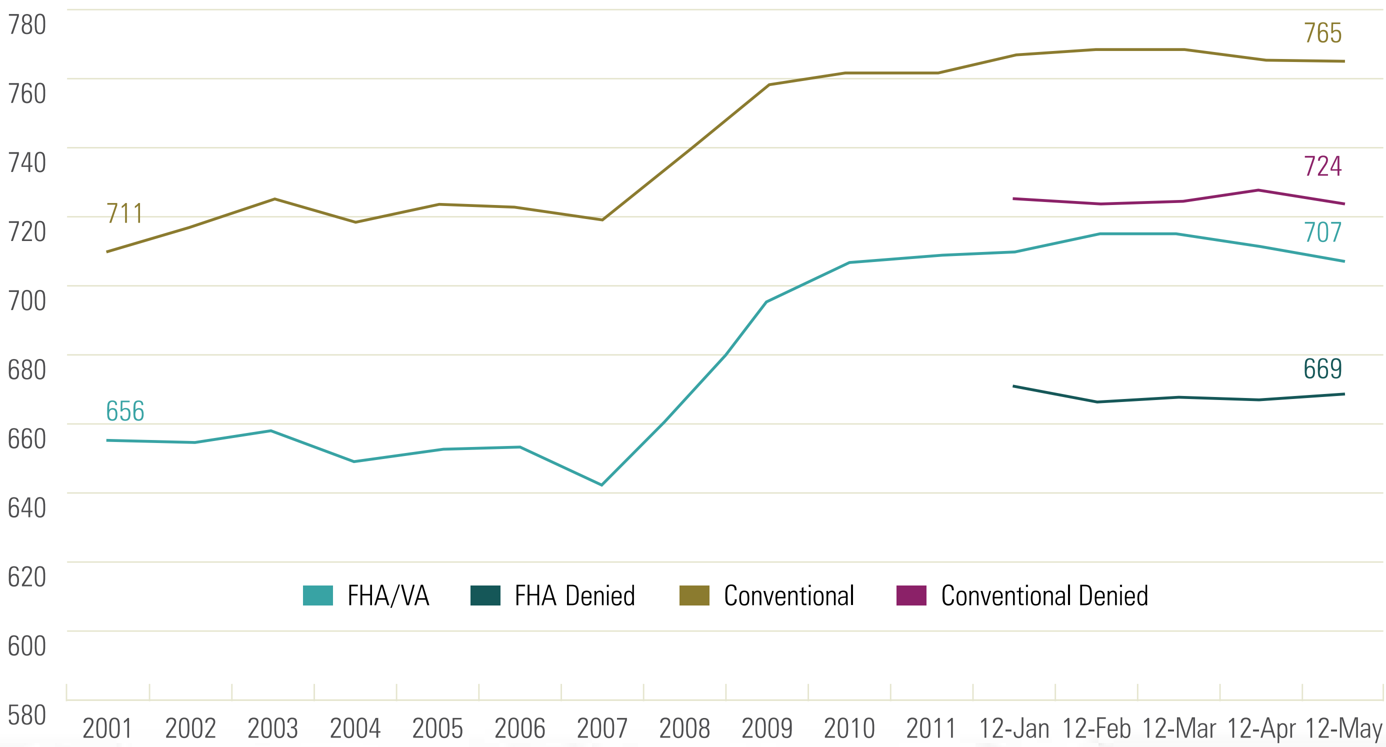


Change in U.S. Homeownership Rate by Percentage Points, 2008–2011

MEASURE 6
Homeownership Access and Affordability

The relationship between homeownership access and affordability has shifted since the end of the housing boom. While affordable homes and low interest rates previously meant increased access to homeownership for potential buyers, underwriting standards have tightened considerably. Strict credit score, down payment, and debt-to-income ratio lending requirements now prevent many buyers from taking advantage of historically low interest rates and relatively affordable home prices. In July 2012, interest rates hit an historic low of 3.49 percent, compared to 4.55 percent a year earlier. However, the average credit score of denied home loan applications nationally is historically high (Fears, 2012; see figure below).

FICO Scores on Denied Applications Higher Today than Those of Approved Applications Pre-Boom



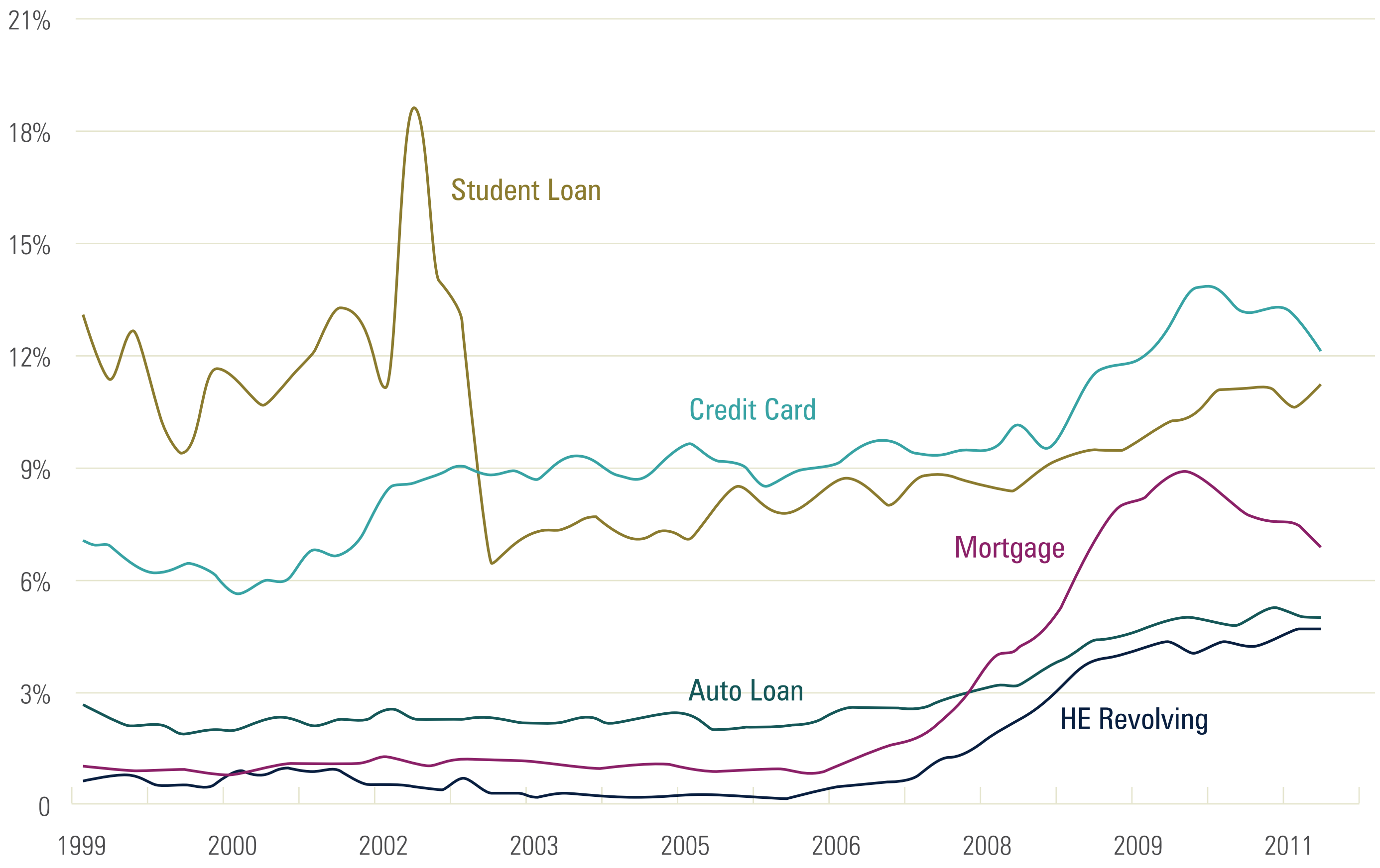
Source: *Amherst Securities, Corelogic, Ellie Mae*

Since the housing crash, studies have focused greater attention on the importance of down payments in the mortgage loan approval process and how that relates to affordability. While mortgage rates are historically low, down payment requirements have risen to the point that they more than offset the homebuyers' savings from the low rates. Thus, even with low interest rates and relatively low housing prices, buying a home is now less affordable in the sense that fewer buyers can bring enough equity for a down payment or have a sufficient credit score to qualify for a home loan. A recent study attempted to quantify the role of credit scores and down payment requirements in affordability. The results showed that in 2006, before the housing crash, a homebuyer's loan payments constituted nearly 100 percent of the total housing cost, where now it is roughly 50 percent due to higher down payment (equity) requirements (Davidson and Levin, 2012).

In addition, credit scores and availability of funds for homeownership are lessened by the growing problem of student debt. Student loan debt is projected to rise to $1 trillion dollars, as written in the *Washington Post* in 2011 (Federal Reserve Bank of New York, 2011).

MHC recommends that core curriculum in schools include a course on debt, use of capital, and credit. MHC recommends easy and inexpensive access to accredited homeownership counseling and credit counseling.

Percent of Balance 90+ Days Delinquent by Loan Type



Source: *Federal Reserve Bank of New York Consumer Credit Panel/Equifax*

MEASURE 7
Foreclosures

The U.S. saw a 34 percent decrease in foreclosures from 2010 to 2011. A total of 2,698,967 foreclosures took place on 1,887,777 properties in 2011. This is a 33 percent decrease from 2009 and a 19 percent decrease from 2008. In 2011, 1.5 percent (1 in 69) of all housing units had at least one foreclosure (RealtyTrac, 2012).

The Louisville MSA saw a total of 5,667 foreclosures in 2011. While this is still an increase of 140 percent since 2002, it is a decrease of 32 percent from the 2010 total of 8,361 and closely tracks the 34 percent national decrease in foreclosures. In the Kentucky MSA counties (comprised of Louisville Metro and the adjacent counties in Kentucky), there were 4,450 foreclosures, a decrease of 35 percent from last year. Nelson, Spencer, and Oldham counties saw the greatest decrease in foreclosures with decreases of 52 percent, 44 percent, and 43 percent, respectively.

In the Indiana counties included in the Louisville MSA, there were a total of 1,217 foreclosures, a decrease of 21 percent from 2010. Foreclosures decreased by at least 20 percent in all counties except in Floyd County, where there was a 1 percent increase.

In Louisville Metro, foreclosures filed in January through September of 2012 totaled 3,512, up 7 percent from the same period a year earlier. One theory for this spike in 2012, which followed a decrease from 2010 to 2011, is that a large number of eviction cases were stalled and are now being processed following a settlement with five major mortgage servicers in February (Otts, 2012).

MHC's 2012 report, *Louisville's Foreclosure Recovery: Understanding and Responding to the Impact of Foreclosure Sales* found that the 1,699 properties that were the subject of a foreclosure action filed between January 1 and June 30, 2007 had lost value beyond neighboring properties. Additional loss occurred if the property was sold through a Foreclosure Sale. "In 2007, the median assessed value of the 1,699 properties… was $104,000. Today, the median assessed value of those properties is $92,180, a decrease of 11.37% (Metropolitan Housing Coalition, 2012)." This loss of property value has impact on neighboring properties and on property tax revenues. The loss is not just to the individual property owner, but impacts the community as a whole.

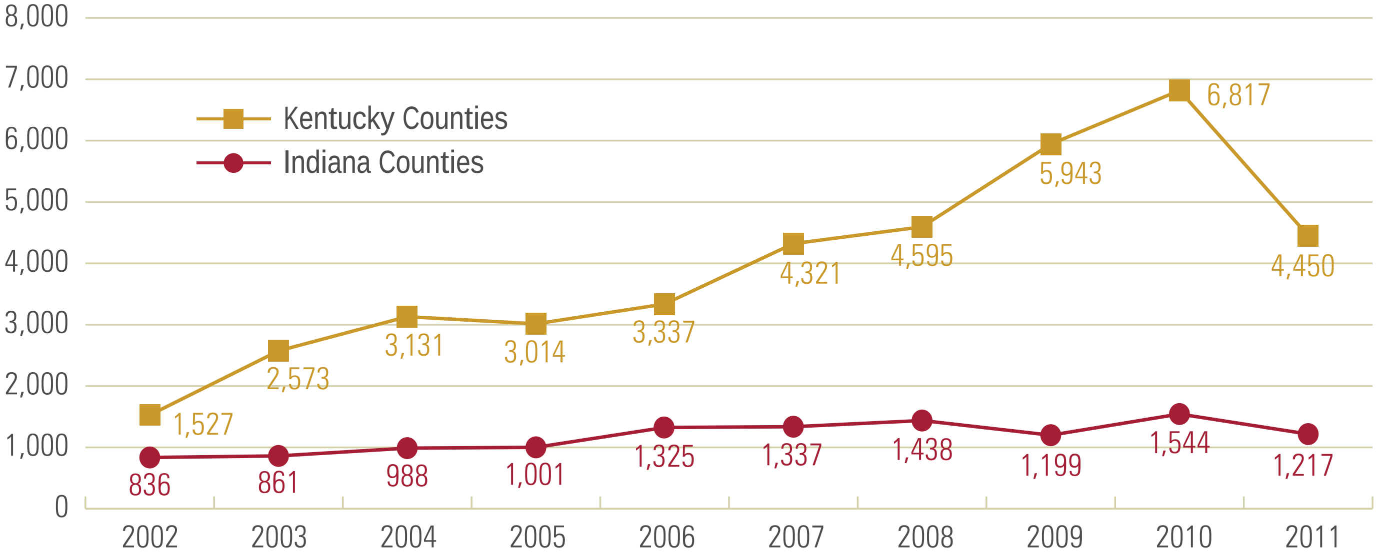
Housing Vacancy Rates

Homeowner vacancy rates increased from 1.9 percent in 2010 to 2.4 percent in 2011, returning to the same rate as 2009. This rate is just below the 2.5 percent average for all MSAs in the U.S. The Louisville MSA homeowner vacancy rate has remained below the national average since 2008.

The Louisville MSA's rental unit vacancy rate increased to 10.2 percent in 2011 from 9.6 percent in 2010, but is still below the 2009 level of 12.1 percent. This is above the 9.5 percent national average for all MSAs, which has decreased from 10.7 in 2009 and 10.3 percent in 2010.

MHC recommends passage of a proposed ordinance in Jefferson County creating a registry for properties as they become the subject of a foreclosure action, including a requirement that the plaintiffs designate a local person or company to be responsible for upkeep if the property is or becomes vacant. MHC recommends local control of the collection of delinquent property taxes. MHC recommends that monies from the mortgage fraud settlement be used to give legal assistance to the debtor in a foreclosure to enable resolution of the case.

Number of Foreclosures, 2002–2011
Louisville MSA Counties



Numbers of Foreclosures Started (Ordered) in Kentucky Counties in the Louisville MSA

County	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	% Change from 2009 to 2010	% Change from 2002 to 2010	%Change from 2010 to 2011	% Change from 2002 to 2011
Bullitt	104	171	N/A	250	300	450	450	490	450	365	-8%	333%	-19%	251%
Jefferson	1,262	2,161	2,610	2,508	2,710	3,089	3,264	4,382	5,299	3,458	21%	320%	-35%	174%
Oldham	71	89	105	112	127	140	223	300	298	171	-1%	320%	-43%	141%
Henry/ Trimble	N/A	N/A	116	81	108	120	158	114	128	90	12%	10%	-30%	-22%
Nelson	N/A	N/A	125	125	156	178	162	194	236	114	22%	89%	-52%	-9%
Shelby	N/A	80	83	86	101	134	140	223	228	144	2%	185%	-37%	73%
Spencer	N/A	N/A	N/A	30	46	76	78	115	93	52	-19%	210%	-44%	73%
Meade	90	72	92	102	89	134	120	125	85	56	-32%	-6%	-34%	-38%
Total	**1,527**	**2,573**	**3,131**	**3,014**	**3,337**	**4,321**	**4,595**	**5,943**	**6,817**	**4,450**	**15%**	**346%**	**-35%**	**191%**

Numbers of Foreclosures Started (Filed) in Indiana Counties in the Louisville MSA

County	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	% Change from 2009 to 2010	% Change from 2002 to 2010	%Change from 2010 to 2011	% Change from 2002 to 2011
Clark	369	385	429	455	621	655	642	509	750	556	47%	103%	-26%	51%
Floyd	253	212	323	304	379	341	424	395	375	380	-5%	48%	1%	50%
Harrison	112	141	117	152	159	155	198	138	211	147	53%	88%	-30%	31%
Washington	102	123	119	90	166	186	174	157	208	134	32%	104%	-36%	31%
Total	**836**	**861**	**988**	**1,001**	**1,325**	**1,337**	**1,438**	**1,199**	**1,544**	**1,217**	**29%**	**85%**	**-21%**	**46%**

The terms filed and ordered represent different stages of the foreclosure process. Filed refers to the filing of a property with the local County Recorder's office to say that a loan is delinquent, while ordered refers to the order to sell a property that is delinquent on a loan.

MEASURE 8
Homelessness

During 2011, a total of 10,187 unduplicated persons accessed homeless services in the Louisville MSA (Coalition for the Homeless, 2012; Haven House, 2012). This represents a continued decrease since 2008, when the total served was 10,912. Since then, there has been a slight but steady decrease in those accessing homeless services. While the number of families accessing services increased since last year, the number of chronically homeless and homeless veterans decreased. Of the total, 1,572 were served in Jeffersonville, Indiana, while the remaining 8,615 were served in Louisville Metro. This total includes both unsheltered and sheltered individuals in emergency shelters, transitional housing facilities, domestic violence shelters, and service facilities with no overnight shelter. It does not include those in treatment centers, permanent supportive housing units, or institutions, although individuals in these setting are at high risk for returning to homelessness. However, unlike past years, only the unsheltered homeless that accessed services were counted, and no extrapolation was made for those not accessing services. Therefore, this number should be considered a conservative estimate of the number of homeless individuals in the Louisville MSA.

Homeless Students in Public Schools

During the 2011-2012 school year, Jefferson County Public Schools (JCPS) reported 12,389 homeless students, a 21 percent increase from the previous year's total of 10,161 (Jefferson County Public Schools, 2012). However, JCPS has implemented a new, more accurate measure of the homeless status of students, which may account for some of this large increase. It is hoped that this new system will help track homeless students in the school system and allow for better support and services.

For the first time, the *State of Metropolitan Housing Report* has acquired data on homeless students in not only Jefferson County, but all the counties in the Louisville MSA. This allows for a more accurate estimate of the effects of homelessness on school-age children, especially in light of the reported increase in homeless families with children (Coalition for the Homeless, 2012). Based on counts obtained for the 2011-2012 school year, there were 868 homeless students in the surrounding counties of the Louisville MSA. The number of homeless students in these counties ranged from zero in the small Lanesville, Indiana school system to 179 in the much larger Bullitt County, Kentucky school system. West Washington School Corporation, which had a total enrollment of 836 students during the 2011-2012 school year, did not collect data on homeless students but is still recovering from the devastating March 2012 tornadoes which severely damaged the Henryville Middle School-High School complex, as well as a large number of homes in the school district.

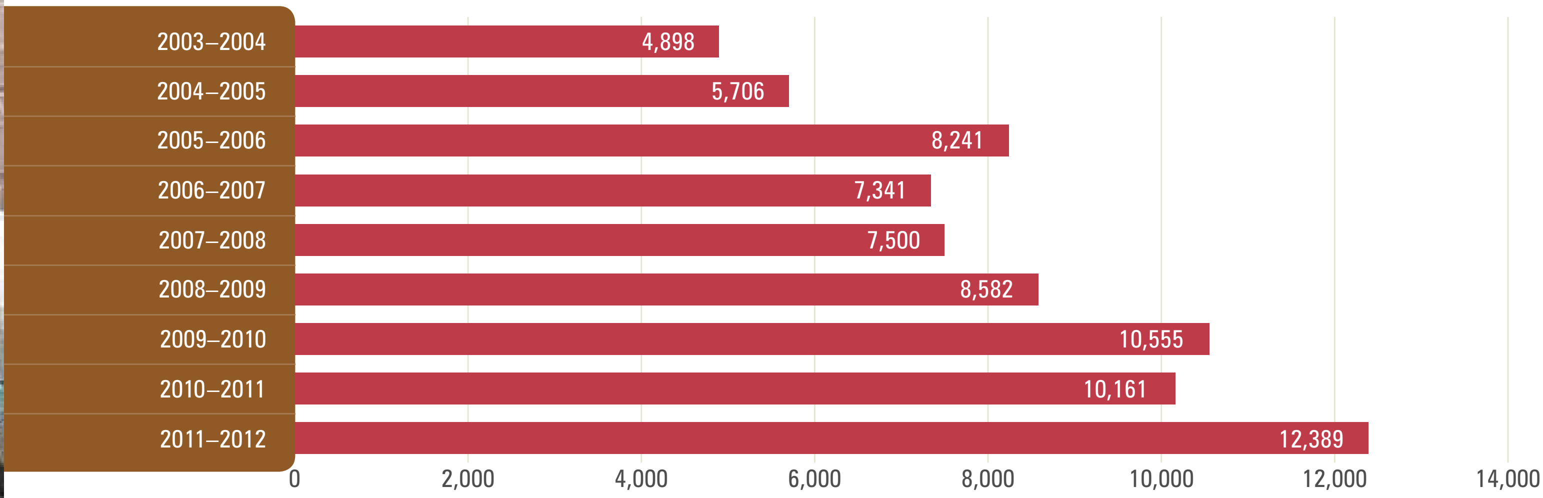
MHC believes that this measure is a reflection of the data in Measures 3, 4 and 5 specifically and the missed opportunities from allocating 42 percent of Community Development Block Grant funds to replace public housing with units for higher income households.

MHC advocates for aggressive policies that preserve, improve, and create affordable housing for low-income families and that make housing for families with children a priority. This includes changes to the Land Development Code to allow diverse housing types, reuse of vacant properties, funding the Louisville Affordable Housing Trust Fund, and requiring the Louisville Metro Housing Authority to serve the same number and income levels for families as they did before razing and replacing public housing units.

School System	Homeless Students in 2011-2012	Total Enrollment**	Percentage of Total Enrollment
Jefferson County Public Schools	**12,389**	**93,951**	**13.2%**
Kentucky Counties within Louisville MSA			
Bullitt County Public Schools	179	12,510	1.4%
Henry County Public Schools	17	2,164	0.8%
Meade County Schools	28	4,966	0.6%
Nelson County School District	53	1,981	2.7%
Oldham County Schools	145	11,708	1.2%
Shelby County Public Schools	34	6,453	0.5%
Spencer County Public Schools	74	2,770	2.7%
Trimble County Schools	19	1,429	1.3%
Indiana Counties within Louisville MSA			
Clark County			
Clarksville Community Schools	36	1,369	2.6%
Greater Clark County Schools	46	10,578	0.4%
West Clark Community Schools	0	4,294	0.0%
Floyd County			
New Albany-Floyd County Consolidated School Corporation	26	11,837	0.2%
Harrison County			
Lanesville Community School Corporation	0	652	0.0%
North Harrison Community Schools	3	2,148	0.1%
South Harrison Community School Corporation	53	3,118	1.7%
Washington County			
East Washington School Corporation	78	1,653	4.7%
Salem Community Schools	77	2,200	3.5%
West Washington School Corporation	0	860	0.0%

**Kentucky enrollment from Kentucky Department of Education for 2010-2011

Homeless Students Attending JCPS (pre-K – 12)



MEASURE 9
CDBG and HOME Funds

CDBG Funds

Since 1974, the U.S. Department of Housing and Urban Development (HUD) has been administering the Community Development Block Grant (CDBG) program to states and local eligible (entitled) communities. CDBG funds community development projects and programs that bolster housing and neighborhood initiatives. These projects and programs might include vacant lot cleanups, abandoned property demolitions, both minor and emergency housing rehabilitation, and programs targeting youth. The amount allocated to each state and qualifying local governments is based on an area's poverty, housing conditions (i.e., overcrowding), age of housing units, and population growth lag in relationship to other metropolitan areas.

Within the Louisville MSA, both Louisville Metro and New Albany, Indiana qualify as entitlement communities; the remaining communities within the Louisville MSA are eligible to receive funds for qualifying projects from their state governments. Over the past decade, CDBG funding has been unstable. There's been a steady decrease in funding since 2002, with the exception being 2010 when there was a sharp increase of nearly 10 percent at the state and local level and a 16 percent increase in funding at the federal level. However, this has been followed by dramatic decreases in 2011 and 2012, reflecting the lowest amount of distribution in 10 years.

For the 2012 fiscal year, Louisville Metro was allocated $9,745,052 in HUD CDBG funds; this was an 8 percent drop from funds received in 2011. There is an additional $4,406,600 in Carry-Forward Funding and an estimated program income of $600,000, which represents a total budget of $14,751,652. The 2012 *Action Plan Budget* has earmarked $6,264,000, or 42 percent of the total planned expenditures, for the Smoketown HOPE VI project. Other expected federal resources include $2,518,531 in HOME funds (exclusive funding to create affordable housing for low-income families), $933,274 in Emergency Solutions Grants (ESG) funds, and $557,629 in Housing Opportunities for Persons with AIDS (HOPWA) funds (Louisville Metro Department of Community Services and Revitalization, 2012).

New Albany expects to receive $589,493 in CDBG funds and $5,000 of program income, with an additional $645,500 in reallocated funding, for an estimated total budget of $1,239,993. The two highest funded projects are $487,993 for sidewalk improvements and $226,500 for minor housing rehabilitation (New Directions Housing Corporation is the sub-recipient.) (C. Krauss, personal communication, 2012).

During the 2011 program year, Louisville Metro spent $12,490,158 on CDBG-eligible programs and projects. This expenditure was $1 million more than the city's *Action Plan Projection*, but 13 percent lower than the 2010 total expenditures ($14,289,260). Of the 2011 expenditures, nearly half was dedicated to housing programs (25 percent) and public improvements (24 percent) (Louisville Metro Department of Community Services and Revitalization, 2012).

HOME Funds

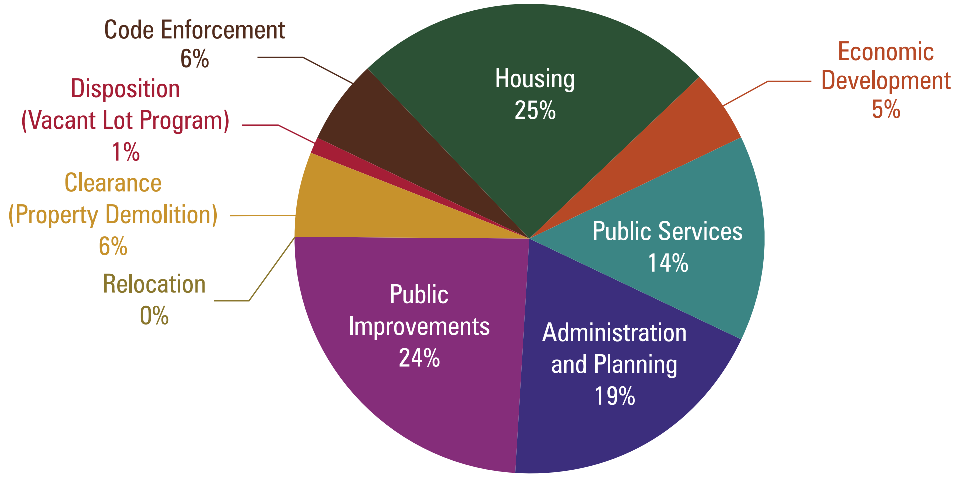
Louisville Metro receives federal funding annually from HUD's HOME Investment Partnerships Program, which exclusively funds the purchase, construction, or rehabilitation of affordable housing for either rental or homeownership for low-income individuals and families. For program year 2011, Louisville received $4,111,351 in HOME funds ($3,541,431 formula grant and $569,920 program income), which funded homebuyer assistance and rental programs, as well as new affordable housing construction. Although New Albany receives federal CDBG funding as an entitlement community, it does not receive HOME program funding.

CDBG and HOME funded programs in Louisville Metro resulted in the rehabilitation of 518 homes and the completion of nine rental developments, which in turn created 36 HOME-funded housing units. There were 4,446 persons who received education and counseling services, and 36 persons were given down-payment assistance. In addition, HOME funds produced 32 new housing units in Louisville. Overall, about 24 percent of expected CDBG funds and 81 percent of HOME funds received were allocated toward programs focused on housing affordability during program year 2011 (Louisville Metro Department of Community Services and Revitalization, 2011).

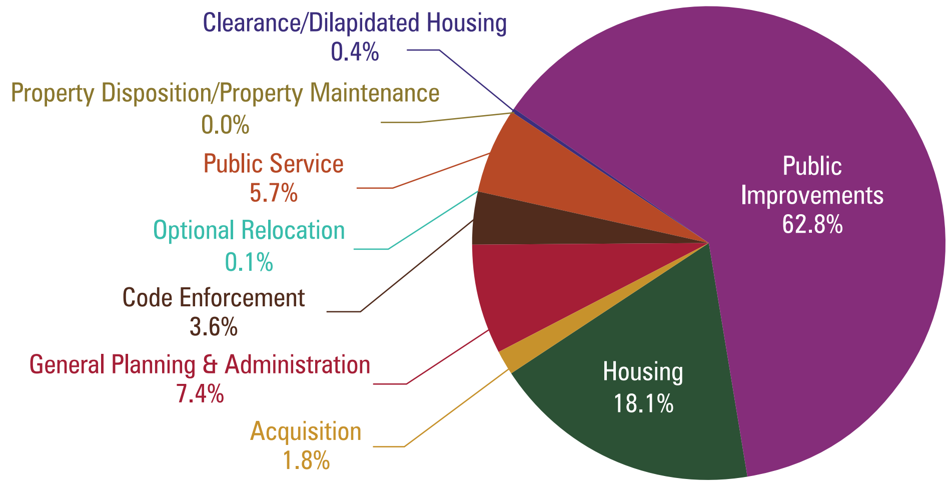
Additional temporary federal programs arising from the stimulus program and from the mortgage crisis have ended in the last year or will be ending soon. These include the Homeless Prevention and Rapid Rehousing Program, the federal Weatherization Program, and phases of the Neighborhood Stabilization Program.

MHC advocates that funds that come from HUD be used to create affordable housing for families with children, to provide energy efficient rehabilitation of existing units, and to reuse vacant properties.

Louisville Metro CDBG Expenditures in Program Year 2011



New Albany CDBG Expenditures in Program Year 2011



Percentage Change in HUD CDBG Allocations from 2002-2012 in 2012 Dollars

Data Sources

Measure 1: *Concentration of Subsidized Housing* ***pg. 13***

Statistics on subsidized housing by Metro Council district were obtained by geocoding administrative data by street address and then capturing the data for each district. Subsidized housing units data were provided by the Louisville Metro Housing Authority and the Kentucky Housing Corporation. The Metro Council Districts layer and the Address Sites layer were provided by LOJIC (Louisville/Jefferson County Information Consortium).

Measure 2: Housing Segregation by Income, Race/Ethnicity, and Gender ***pg. 16***

The percentages of Black or African-American Alone, Hispanic or Latino Origin by Race, and Female-Headed Households with Children Under 18 are calculated from 2011 American Community Survey 1-Year Estimates tables. The poverty data were drawn from the 2011 American Community Survey 1-Year Estimates.

Measure 3: *Renters with Excessive Cost Burden* ***pg. 18***

Annual income data were obtained from the Bureau of Labor Statistics Occupational Employment Survey, and dollars were adjusted for inflation using the Bureau's inflation calculator. Fair Market Rent data were gathered from the U.S. Department of Housing and Urban Development (HUD), and household population data were retrieved from the 2011 American Community Survey 1-Year Estimates.

Measure 4: *Production and Rehabilitation of Affordable Housing* ***pg. 20***

Subsidy data were obtained from the Louisville Metro Housing Authority; Kentucky Housing Corporation; Indiana Housing and Community Development Authority; from Kentucky housing authorities in Bardstown, Eminence, and Shelbyville; from Indiana housing authorities in New Albany, Jeffersonville, Charlestown, and Sellersburg; Community Action of Southern Indiana (CASI); Hoosier Uplands; and HUD. Section 8 and public housing numbers refer to units allocated by HUD; LIHTC numbers refer to units in service.

Measure 5: *Homeownership Rate* ***pg. 22***

Owner and renter occupant status data were obtained from the 2011 Census Summary File 3 and the U.S. Census Bureau's Annual Statistics on Housing Vacancies and Homeownership. The definition of the Louisville Metropolitan Statistical Area (MSA) changed between 2000 and 2007; however, we report 2000 data for the same counties as those included in the 2003 definition of the Louisville MSA.

Measure 7: *Foreclosures* ***pg. 25***

Court records regarding foreclosure data are maintained differently in the two jurisdictions of the Louisville MSA. Therefore, for all Kentucky counties in the Louisville MSA, we have defined the rate to be the number of actual foreclosures (or orders of sale) as a percentage of the number of owner-occupied homes with mortgages. The foreclosure rates for Indiana counties in the MSA reflect the number of foreclosures filed as a percentage of the number of owner-occupied homes with mortgages for all Indiana counties in the MSA. The number of foreclosures were obtained from the relevant court clerks in each county. Housing vacancy data were retrieved from HUD.

Measure 8: *Homelessness* ***pg. 27***

Shelter usage data were provided by the Coalition for the Homeless for the Kentucky counties and Haven House for the Indiana counties. Homeless student statistics were provided by: Anne Malone, Jefferson County Public Schools; Linda Nassom, Bullitt County Public Schools; Lisa McDonald, Shelby County Public Schools; Tonya Fluke, Spencer County Public Schools; Jessica Wilcox, Trimble County Schools; Amy Berry, Meade County Schools; Chris Ralston, Greater Clark County Schools; Connie Goodman, New Albany-Floyd County Consolidated School Corporation; Bruce Kawicki, South Harrison Community School Corporation; Donna Haskell, North Harrison Community Schools; Steve Morris, Lanesville Community School Corporation; Erin Humphrey, Salem Community Schools; Sherry Dalton, East Washington School Corporation; Sheila Steward, Oldham County Schools; Denise Perry, Henry County Public Schools; Kelly Bryant, Clarksville Community Schools; Jerry Smith, West Clark Community Schools.

Measure 9: *CDBG and HOME Funds* ***pg. 29***

Data were obtained from Louisville Metro Department of Community Services and Revitalization, Louisville Metro Housing Authority and the New Albany Economic and Redevelopment Department.

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MHC wishes to thank Doug Magee for his years of dedicated service to MHC as Non-profit Housing Alliance (NHA) Program Director.

We also wish to thank Emma Dill, University of Louisville, for her time and hard work during the 2012-2013 school year as MHC's intern.

Acknowledgements

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The *2012 State of Metropolitan Housing Report* is a product of the **Center for Environmental Policy and Management (CEPM) at the University of Louisville**. The report was authored by John Vick, Carol Norton, Allison Smith, and Lauren Heberle. The maps in this report were produced by Robert Forbes, Eric Schneider, and John Vick.

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Printing: Matly Digital Solutions, LLC

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